

# COMMITTEE OF PRIVILEGES

(SEVENTH LOK SABHA)

**FIRST REPORT**

*(Presented on 8 May, 1981)*



**LOK SABHA SECRETARIAT  
NEW DELHI**

*May, 1981/Vaisakha, 1903 (Saka)*

*Price : Rs. 3.60*

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**PERSONNEL OF THE COMMITTEE OF PRIVILEGES\***  
(1980-81)

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1. Shri Harinatha Misra—*Chairman*

**MEMBERS**

2. Shri R. L. Bhatia
3. Shri Somnath Chatterjee
4. Shri G. L. Dogra
5. Shri George Fernandes
6. Shri Ram Jethmalani
7. Shrimati Sheila Kaul
8. Shri Jagan Nath Kaushal
9. Shri Vikram Mahajan
10. Shri A. A. Rahim
11. Shri P. Shivshankar
12. Shri Dharam Bir Sinha
13. Shri P. Venkatasubbaiah
- \*\*14. Shri Ram Singh Yadav
15. Shri Vijay Kumar Yadav

**SECRETARIAT**

Shri M. P. Gupta—*Senior Table Officer.*

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\*The Committee of Privileges was nominated by the Speaker on 19 March, 1980.

\*\*Appointed w.e.f. 4-11-1980, vice Shri R. R. Bhole resigned from the Committee of Privileges.

# **FIRST REPORT OF THE COMMITTEE OF PRIVILEGES (SEVENTH LOK SABHA)**

## **I. Introduction and Procedure**

I, the Chairman of the Committee of Privileges, having been authorised by the Committee to submit the Report on their behalf, present this their First Report to the House on the question of privilege raised<sup>1</sup> by Shri Jyotirmoy Bosu, M.P., against Shri J. R. D. Tata, former Chairman, Air India, regarding certain remarks made by him in a press interview to the P.T.I. as reported in the newspapers on 29 May, 1979, regarding Committee on Public Undertakings and its Reports on Air India, and referred<sup>2</sup> to the Committee by the House on 2 February, 1980.

2. The Committee held eight sittings. The relevant Minutes of these sittings form part of the Report and are appended hereto.

3. At their first and second sittings held on 28 March and 24 April, 1980, the Committee considered the matter.

4. At their third sitting held on 6 June, 1980, the Committee decided that in the first instance, Shri J. R. D. Tata be asked to appear before the Committee for oral evidence. The Committee directed that Shri J. R. D. Tata might also be asked to submit a written statement to the Committee, if he wished to state anything in addition to what he had stated in his earlier letter addressed to the Speaker.

5. At their fourth sitting held on 12 July, 1980, the Committee examined on oath Shri J. R. D. Tata.

6. At their fifth, sixth and seventh sittings held on 4 and 12 August and 6 September, 1980, the Committee deliberated on the matter and arrived at their conclusions.

7. At their eighth sitting held on 5 May, 1981, the Committee considered their draft Report and adopted it.

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1. L.S. Deb., dt. 29-1-1980, cc 13-14.

2. Ibid., dt. 2-2-1980, cc. 1-2.

## II. Facts of the case

8. Shri Jyotirmoy Bosu gave notice<sup>3</sup> of a question of privilege, dated 22 January, 1980, against Shri J. R. D. Tata, former Chairman of Air India, in regard to certain remarks made by Shri Tata on 28 May, 1979, in a press interview to the P. T. I., reported in certain newspapers<sup>4</sup> on 29 May, 1979, in respect of the 42nd, 52nd and 53rd Reports of the Committee on Public Undertakings on Air India.

In his notice, Shri Jyotirmoy Bosu stated, *inter alia*, as follows:—

“The Committee on Public Undertakings on the basis of evidence written and oral—and after factual verifications from Air India, from the Ministry of Civil Aviation and Tourism submitted three Reports. In its narration and recommendations certain lapses, failures etc. as revealed through evidence on the part of Air India were pointed out.

Shri J. R. D. Tata on 28th May, 1979, in a Press interview made certain most derogatory remarks with regard to Members of Parliament, Members of the Public Undertaking Committee (6th Lok Sabha) and its Chairman.

He went to the extent of saying:

‘It also provides its own sad evidence of how far or should I say, how low, some elected representatives of the people are prepared to go to satisfy political or ideological ends irrespective of the harm and loss of prestige thereby caused not only to those so unfairly attacked but also the Public Sector on the whole’.

I do not think in the history of this Parliament such vilification in so contemptuous a language has been done by a single individual. Perhaps, the money power has got into his head and as a result through the statement, he wanted to make a mockery of Parliament and the Parliamentary system.

**This is a clear case of breach of privilege of the worst type.”**

3. See Appendix I.

4. See news report in the *Times of India* and other newspapers dated 29 May, 1979, containing the impugned statement. The relevant news report which appeared in the *Times of India*, dated 29 May, 1979, is reproduced at Appendix II.

9. On 2 February, 1980, the Speaker made the following observations<sup>5</sup> in the House:—

“Shri Jyotirmoy Bosu, M.P., had given notice of question of privilege against Shri J. R. D. Tata, former Chairman of Air India, regarding alleged ‘derogatory remarks with regard to Members of Parliament, members of the Public Undertakings Committee (Sixth Lok Sabha) and its Chairman’, made by him in a Press statement issued by him on 28 May, 1979.

This notice had come up during the last Lok Sabha and the then Speaker had given his consent under Rule 222 and the matter was referred thereafter on a motion in the House to the Committee of Privileges. Before, however, the Committee of Privileges could give their Report, the Lok Sabha was dissolved. Since Shri Jyotirmoy Bosu, who had moved the matter in 1979, is pressing it again, I give my consent under rule 222”.

Thereafter, the House adopted the following motion moved<sup>6</sup> by Shri Jyotirmoy Bosu:—

“That the motion of breach of privilege against Mr. J. R. D. Tata be sent to the Privileges Committee”.

*Proceedings in Sixth Lok Sabha*

10. During the Sixth Lok Sabha, when Shri Jyotirmoy Bosu and some other members gave similar notices on the above matter, Shri J. R. D. Tata was asked, under Speaker’s direction, to state what he might have to say in the matter for consideration of the Speaker. A written statement<sup>7</sup>, dated 3 July, 1979, was received from Shri J. R. D. Tata on 6 July, 1979.

11. The matter was also referred to the Chairman, Committee on Public Undertakings, under Speaker’s direction to ascertain the opinion of the Committee on Public Undertakings before the Speaker decided the admissibility of the notices of question of privilege.

12. The Chairman, Committee on Public Undertakings in a note<sup>8</sup> dated 3 July, 1979, submitted to the Speaker stated the position and

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5. *L.S. Deb.*, dt. 2-2-1980, cc. 1-2.

6. *Ibid.*

7. See Appendix III.

8. See Appendix IV.

the views of the Committee on Public Undertakings in regard to those notices, which read, *inter alia*, as follows:—

“It will be seen from the above that the observations made by Shri J. R. D. Tata in the statement published widely in the Press on 29th May, 1979, in regard to the functioning of the Committee on Public Undertakings (1978-79) and the then Chairman of the Committee appear to be un-called for”.

\* \* \*

“As the aforementioned statement of Shri J. R. D. Tata... reflect on the character of the Committee and tend to diminish the respect due to it, the notices deserve to be gone into as a matter of privilege”.

13. On 9 July, 1979, when the matter was raised in the House, the Speaker, while referring the matter to the Committee of Privileges ruled<sup>o</sup>, *inter alia*, as follows:—

“I have carefully gone through the proceedings—the notices given by the hon. Members of this House... In these proceedings, important questions arise for consideration. In his statement Shri J. R. D. Tata, while expressing regret in respect of some portions of his statement which is the subject matter of these proceedings has justified various other aspects mentioned in his statement. He has taken the stand that the impugned portions of the statement except in regard to those matters on which he has expressed regret were made in public interest and, therefore, they do not impinge on the privilege of any Member of Parliament. In this connection, he has relied on the opinion expressed by the Privileges Committee of British Parliament in its Report submitted on 1st September, 1967. It is not for me to go into the correctness or otherwise of the stand taken by Shri J. R. D. Tata. These are matters which are to be gone into by the Committee of Privileges if the House grants leave. In my opinion this is a fit case to grant consent under rule 222 of the Rules of Procedure and Conduct of Business in Lok Sabha. Accordingly, I give my consent to the motions....

There are a number of privilege motions on this. I am sending all those to the Committee”.

14. However, before the Committee of Privileges (Sixth Lok Sabha) could consider the above matter and present their Report to the House thereon, the matter lapsed consequent on the dissolution of the Sixth Lok Sabha on 22 August, 1979.

15. When the matter was sought to be raised<sup>10</sup> again in the Seventh Lok Sabha by Shri Jyotirmoy Bosu, M.P., on 29 January, 1980, Shri J. R. D. Tata addressed a letter<sup>11</sup> dated 1 February, 1980 to the Speaker, Lok Sabha.

16. The matter was referred by the House to the Committee of Privileges on 2 February, 1980, as indicated in para 9 above.

### III. Finding and Conclusion of the Committee

17. The Committee examined on oath Shri J. R. D. Tata on 12 July, 1980. During the course of his evidence, Shri Tata tendered apology more than once. As a matter of fact in the very beginning of his evidence he stated that he had nothing to add to the letters written by him to the Speaker in July 1979 and on 1 February, 1980, "except to express sorrow". Even in the letters to the Speaker, Shri Tata had expressed regret in respect of some portions of his statement. In his evidence before the Committee to a specific question: "Did you, or did you not say":

"It provides its own sad evidence of how far or, shall I say, how low some elected representatives of the people are prepared to go to satisfy their political or ideological ends, irrespective of the harm and loss of prestige thereby caused not only to those so unfairly attacked but also to the public sector as a whole".

Shri Tata replied: "I said this, undoubtedly, and I have apologised for it."

Again a question was put, "though apology would not be a weapon of defence, do you even at this stage feel that what you have said is wrong and are you prepared to tender your unqualified and unconditional apology for the words used and about which you have been given notice that they are derogatory to the honour of the Committee and the members?" And the reply of Shri Tata was, "Of course, I thought I had done so. I unconditionally withdrew them and I unconditionally apologised for them. Undoubtedly so. In my ignorance purely as a citizen and as a businessman, I did not realise that these words could be interpreted as an attack on the Parliament and I withdraw them."

At the end of the evidence Shri Tata again repeated, "if I used any words derogatory to Parliament, or its Committee, of course, I unconditionally apologise."

10. Ibid., dt. 29-1-1980, cc. 13-14.

11. See Appendix V.



18. While what has been quoted above would reflect the urge of Shri Tata to sincerely uphold the dignity of Parliament, its Committee and the Members, it cannot be overlooked that his evidence at oft places bristles with slight contradictions. The Committee feel that his evidence should be read and construed as a whole rather than portions being torn out of context. It is in this context that the Committee think it appropriate to arrive at a proper conclusion after taking all the facts into consideration. The Committee feel that it adds to the dignity of one and all if power in a democratic system is exercised with restraint; the more powerful a body or institution is, the greater restraint is called for particularly in exercising its penal jurisdiction.

19. The Committee are of the view that, considering the totality of the facts and circumstances of the case, including the apology tendered by Shri J. R. D. Tata during his evidence before the Committee, the House would best consult its own dignity by taking no further notice of the matter.

#### IV. Recommendation of the Committee

20. The Committee recommend that no further action be taken by the House in the matter and it may be dropped.

NEW DELHI;  
May 5, 1981.

Vaisakha 15, 1903 (Saka).

HARINATHA MISRA,  
Chairman,  
Committee of Privileges.

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**MINUTES**

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# MINUTES

## I

### First Sitting

New Delhi, Friday, 28 March, 1980

The Committee sat from 16.00 to 16.25 hours.

#### PRESENT

Shri Harinatha Misra—*Chairman*

#### MEMBERS

2. Shri R. L. Bhatia
3. Shri Somnath Chatterjee
4. Shri G. L. Dogra
5. Shri George Fernandes
6. Shrimati Sheila Kaul
7. Shri Jagan Nath Kaushal
8. Shri A. A. Rahim
9. Shri P. Venkatasubbaiah

#### SECRETARIAT

Shri M. P. Gupta—*Senior Table Officer*

2. At the outset, the Chairman welcomed the members of the new Committee and the members introduced themselves.

3. The Chairman then mentioned that a question of privilege raised by Shri Jyotirmoy Bose, M.P., against Shri J.R.D. Tata was referred to the Committee by the House on 2 February, 1980. The Chairman suggested that a suitable date might be fixed for the next sitting of the Committee to consider that matter.

4. The Committee decided that the next sitting of the Committee to consider the above matter might be held on Thursday, 24 April, 1980, at 11 A.M. If necessary, the Committee might also meet at 3 P.M. on that day.

5 The Committee directed that a Memorandum on the subject might be prepared and circulated to the members of the Committee well in advance of the next sitting of the Committee.

*The Committee then adjourned.*

## H

### Second Sitting

New Delhi, Thursday, 24 April, 1980

The Committee sat from 11.00 to 12.30 hours.

#### PRESENT

Shri Harinatha Misra—*Chairman*

#### MEMBERS

2. Shri R. L. Bhatia
3. Shri R. R. Bhole
4. Shri Somnath Chatterjee
5. Shri G. L. Dogra
6. Shri George Fernandes
7. Shri Ram Jethmalani
8. Shrimati Sheila Kaul
9. Shri Jagan Nath Kaushal
10. Shri Vikram Mahajan
11. Shri A. A. Rahim
12. Shri Dharam Bir Sinha
13. Shri P. Venkatasubbaiah
14. Shri Vijay Kumar Yadav

#### SECRETARIAT

Shri K. K. Saxena—*Chief Examiner of Bills and Resolutions*

Shri M. P. Gupta—*Senior Table Officer*

2. The Committee considered the question of privilege raised by Shri Jyotirmoy Bosu, M.P., against Shri J. R. D. Tata, former Chairman, Air India, regarding certain remarks made by him in a Press interview to the PTI as reported in the newspapers on 29th May, 1979, regarding Committee on Public Undertakings and its Reports on Air India, referred to the Committee by the House on 2 February, 1980.

3. The Committee noted that Shri J.R.D. Tata in his letter dated 1 February, 1980, addressed to the Speaker, Lok Sabha,

had *inter alia* stated that he had been advised by eminent Counsel that the Parliament of which he was alleged to have been in contempt having been dissolved, the newly elected Parliament could not proceed with such charge of contempt.

The Committee decided to consider the above contention of Shri J.R.D. Tata, in the first instance, and directed that a Memorandum on the subject might be prepared and circulated to the members of the Committee for consideration at their next sitting.

4. The Committee decided to hold their next sitting on Friday, 6 June, 1980, at 11.00 hours.

*The Committee then adjourned.*

### III

#### Third Sitting

New Delhi, Friday, 6 June, 1980

The Committee sat from 11.00 to 11.40 hours.

#### PRESENT

Shri Harinatha Misra—*Chairman*

#### MEMBERS

2. Shri R. L. Bhatia
3. Shri Somnath Chatterjee
4. Shri G. L. Dogra
5. Shri George Fernandes
6. Shrimati Sheila Kaul
7. Shri Jagan Nath Kaushal
8. Shri A. A. Rahim
9. Shri P. Shivshankar
10. Shri Dharam Bir Sinha
11. Shri P. Venkatasubbaiah

#### SECRETARIAT

Shri M. P. Gupta—*Senior Table Officer*

2. The Committee considered the question of privilege raised by Shri Jyotirmoy Bosu, M.P., against Shri J.R.D. Tata, former Chairman, Air India, regarding certain remarks made by him in a Press interview to the PTI as reported in the newspapers on 29 May, 1979, regarding Committee on Public Undertakings and its Reports on Air India, referred to the Committee by the House on 2 February, 1980.

In this connection, the Committee considered Memorandum No. 2 regarding a point raised by Shri J.R.D. Tata in his letter dated 1 February, 1980 addressed to Speaker, Lok Sabha, that the Parliament of which he was alleged to have been in contempt having been dissolved, the newly elected Parliament could not proceed with such charge of contempt.

3. The Committee decided that in the first instance, Shri J.R.D. Tata be asked to appear before the Committee for oral evidence on Saturday, 12 July, 1980.

The Committee directed that Shri J.R.D. Tata might also be asked to submit a written statement to the Committee, if he wished to state anything in addition to what he had stated in his earlier letter addressed to the Speaker, so as to reach the Committee at least a week before the date of his appearance before the Committee.

4. The Chairman then read out to the Committee a letter dated 4 June, 1980, received by him from Shri Ram Jethmalani, a member of the Committee, expressing his inability to attend the sitting of the Committee and also containing his views on the matter. The Committee directed that the letter be circulated\* to the members of the Committee.

*The Committee then adjourned.*

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\*See Annexure.



## COMMITTEE OF PRIVILEGES

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### ANNEXURE

(See para 4 of Minutes)

RAM JETHMALANI  
MEMBER OF PARLIAMENT  
(LOK SABHA)

Tel. 374784, 371895  
7-B, Janpath,  
New Delhi-1.  
June 4, 1980.

Dear Mr. Chairman,

I regret that I may not be able to attend the meeting of the Committee of Privileges on the 6th of June. I must, however, reiterate what I stated at the meeting held on 24th April 1980 on the question of the jurisdiction of the Parliament to punish a contempt committed during an earlier session or even a session preceding the last elections. This matter was squarely raised in Mrs. Gandhi's case, considered by the Committee of Privileges and accepted by the entire House. This is in accord with the practice in the British House of Commons not only noticed by May in his Parliamentary Practice but also supported by the British precedent of 22nd July 1977 in the case of Mr. John Corder.

While I appreciate the memorandum prepared by the Office I regret that no reference has been made to the latest precedent which, with respect, ought to be regarded as binding. The memorandum curiously ends with the Speaker's ruling of 7th April, 1977 in Mr. Kaul's case. This itself has been considered in Mrs. Gandhi's case. I would request that that opinion should be circulated to the members of this Committee before any final decision is taken on Mr. Tata's contention.

While I am of the view that this House has jurisdiction to deal with this contempt, I am equally of the view that on the facts no action is called for against Mr. Tata. The House must respect the liberties of ordinary citizens and its power must be invoked only in grave cases having a substantial impact upon the working of

the parliamentary form of government. This case does not in any sense qualify for the exercise of our contempt power.

With regards,

Yours sincerely,

Sd/-

RAM JETHMALANI

Shri Harinath Misra, M.P.,  
Chairman,  
Committee of Privileges,  
Lok Sabha,  
Parliament House Annexe,  
New Delhi.

Encl: Relevant paragraph from my opinion in Mrs. Gandhi's case.

ENCLOSURE  
TO  
ANNEXURE

35. Another contention raised by the respondents remains to be disposed of. It is said that the contempt in question was the contempt of the fifth Lok Sabha. When that was dissolved, its consequences are absolute and irrevocable. Dissolution passes a sponge over the parliamentary slate. The Sixth Lok Sabha is a new Lok Sabha as Section 14 of the Representation of the Peoples Act, 1951 unmistakably points out. All business pending before the Fifth Lok Sabha or any of its committees must be deemed to have lapsed and no part of the record of the dissolved House can be carried over and transcribed into the records or registers of the new Houses. In short, the dissolution draws a final curtain upon the existing House.

I have reproduced the respondents' argument so as to bring out its maximum strength. Having carefully considered it I find it totally without substance. The parliamentary slate might well be wiped clean by the sponge of dissolution. But in the nature of things, nothing can be wiped off the slate which never existed on the slate. The contempt in question was never taken cognisance of by the Fifth Lok Sabha. Indeed, it was never aware that any contempt had been committed. The analogy of the slate and the sponge can, therefore, serve no useful purpose. It can only obfuscate thinking on this problem.

Historically, the basis of the law of contempt of Parliament lies

of Commons was also an offshoot. If a High Court consists of two judges and a grave contempt is committed, no one has ever been heard to argue that if the two judges retire and two new judges have taken their place, the contempt ceases to be punishable. We do not believe that the new membership of the Lok Sabha arising on a new election change the identity of the Lok Sabha as the limb of Parliament or as a parliamentary institution. The word 'dissolution' in the life of a Parliament does not convey the same meaning as it does when applied to a joint stock company. In the latter case, the legal personality of the company comes to an end. Not so when the word is transported to an entirely new setting Article 79 of the Constitution which ordains that there shall be a Parliament for the Union which shall consist of the President and two Houses to be known respectively as the Council of States and the House of the People, provides for an unbroken continuity of both Houses in spite of the fact that one-third Members of the former retire every two years and all the Members of the latter retire every five years.

The consequence of accepting the argument of the respondents is manifestly disastrous to the dignity of Parliament and destructive of the very purpose for which the contempt jurisdiction was created. The contemnor after committing a grave contempt of Parliament has only to abscond for the remaining term of that Parliament to acquire immunity from punishment for all time. People could with impunity commit the gravest contempt of the Parliament during the last days of its tenure. There must be something wrong with the State of the law if it accepts with equanimity such puerile consequences. Fortunately, such is not the law. In my opinion the statement of law from May's Parliamentary Practice, 19th edition, at page 161, provides a conclusive answer:—

"It also appears that a contempt committed against one Parliament may be punished by another; and libels against former Parliaments have often been punished. In the debate on the privilege of Sir R. Howard in 1625 Mr. Selden said:

'It is clear that breach of privilege in one Parliament may be punished in another succeeding.' (Per Parke, B. In *Gossett V. Howard*, 1847), 10Q.B.451."

This passage informs us that as a matter of fact libels against former Parliaments have often been punished. This cannot be

possible except on the footing that the proposition made by the respondents is totally untenable. Whether the instances which the learned author has in mind are old or new makes no difference whatsoever. A privilege once claimed and exercised on a number of occasions cannot stand abrogated merely because no occasion has arisen for its exercise in the recent past. The burden to establish that the privilege has vanished by disuse is on those who make such a claim. There is not a single instance where the House of Commons in England has in recent times refused to punish a contempt on the ground that a general election has intervened since then. The case of John Cordle decided by the House of Commons in July, 1977 is conclusion on this point (The Table Vol. XLVI for 1978 page 28—31). We have doubt that this was a privilege which the House of Commons enjoyed on the date on which our Constitution came into force and therefore under the 105th article of our Constitution it is also a privilege of our Lok Sabha. The existence of this privilege and its actual exercise is supported by Tulmohan's case.

It has been suggested to us, however, that in Tulmohan's case the want of jurisdiction of the House was not asserted by anybody and therefore the case must not be treated as a precedent. I cannot accept this argument. When the House consciously exercised jurisdiction it is evidence that the House at least believed that it had the requisite jurisdiction.

Naturally, however, our attention has been drawn to Kaul's case. India's Ambassador to the United States, Mr. T. N. Kaul, in an interview telecast by the N.B.C., one of the national television networks of the U.S.A., had told his American audience that during emergency political leaders in India had not been jailed but only detained in houses. Being a gross distortion of truth breach of privilege was alleged in the Lok Sabha against Mr. Kaul. The Speaker disallowed the question of privilege by the following ruling:—

**"I have carefully considered the matter. In order to constitute a breach of privilege, the impugned statement should relate to the proceedings of the House or to members in the discharge of their duties as members of Parliament. It may be seen that the impugned statement of Shri Kaul related to political leaders and not to members of Parliament as such, although members of Parliament are also political leaders. Secondly, Shri Kaul's remarks**

were made in July, 1975, when the Fifth Lok Sabha was in existence. The matter cannot be raised as a privilege issue in the Sixth Lok Sabha. In the circumstances, no question of privilege is involved in the matter."

It is obvious that having come to the conclusion that there could be no breach of privilege at all on the facts stated, the Speaker's second reason was wholly unnecessary. The proceedings of the House do not suggest that the issue of jurisdiction was raised in the manner in which it has been raised before us. What was sought to be argued in the House was that the matter was stale and not of any recent public importance. It is this argument which the learned Speaker seems to have accepted. The staleness was described by him by pointing out that the remarks were made in July 1975 when the Fifth Lok Sabha was in existence. If an important issue of jurisdiction was being decided, one would have expected a more detailed discussion. It could not be the intention of the Speaker to have laid down the law on an issue of such importance in a cryptic four-line ruling. Whether a particular privilege belongs to the Lok Sabha is a matter to be decided by the House itself. It cannot be conclusively decided by a ruling of the Speaker. We are satisfied that the Speaker had no intention to rule on the jurisdiction of the Lok Sabha.

I am clearly of the opinion, notwithstanding a somewhat ambiguous opinion of the Attorney-General tendered to us that like the British House of Commons, the present Lok Sabha has perfect jurisdiction to punish the contempt committed in the life time of the Fifth Lok Sabha.

**IV**  
**Fourth Sitting**

*New Delhi, Saturday, 12 July, 1980*

The Committee sat from 9.30 to 10.40 hours.

**PRESENT**

Shri Harinatha Misra—*Chairman*

**MEMBERS**

2. Shri R. R. Bhole
3. Shri G. L. Dogra
4. Shri George Fernandes
5. Shri Jagan Nath Kaushal
6. Shri P. Shivshankar
7. Shri P. Venkatasubbaiah
8. Shri Vijay Kumar Yadav

**SECRETARIAT**

Shri K. K. Saxena—*Chief Examiner of Bills and Resolutions*

Shri M. P. Gupta—*Senior Table Officer*

**WITNESS**

Shri J. R. D. Tata, *former Chairman, Air India*

2. Shri J. R. D. Tata, former Chairman, Air India, was called in and examined on oath by the Committee in connection with the question of privilege raised by Shri Jyotirmoy Bosu, MP, against him regarding certain remarks made by him in a Press interview to the PTI as reported in the newspapers on 29 May, 1979, regarding Committee on Public Undertakings and its Reports on Air India, referred to the Committee by the House on 2 February, 1980.

*(Verbatim record of evidence was kept)*

*The witness then withdrew.*

3. The Committee directed that the verbatim record of evidence tendered by Shri J. R. D. Tata be circulated to the members of the Committee.

4. The Committee decided to hold their next sitting on 26 July, 1980, at 09.30 hours to consider the matter further.

*The Committee then adjourned.*

V

**Fifth Sitting**

*New Delhi, Monday, 4 August, 1980*

The Committee sat from 09.30 to 09.45 hours.

**PRESENT**

Shri Harinatha Misra—*Chairman*

**MEMBERS**

2. Shri R. L. Bhatia
3. Shri R. R. Bhole
4. Shri Somnath Chatterjee
5. Shri G. L. Dogra
6. Shri George Fernandes
7. Shri Ram Jethmalani
8. Shrimati Sheila Kaul
9. Shri Jagan Nath Kaushal
10. Shri A. A. Rahim
11. Shri Dharam Bir Sinha
12. Shri P. Venkatasubbaiah

**SECRETARIAT**

Shri K. K. Saxena—*Chief Examiner of Bills and Resolutions*

Shri M. P. Gupta—*Senior Table Officer*

2. The Committee took up further consideration of the question of privilege raised by Shri Jyotirmoy Bosu, M.P., against Shri J. R. D. Tata, former Chairman, Air India, regarding certain remarks made by him in a Press interview to the PTI as reported in the newspapers on 29 May, 1979, regarding Committee on Public Undertakings and its Reports on Air India, referred to the Committee by the House on 2 February, 1980.

3. The Committee decided to postpone further consideration of the matter to 12 August, 1980, at 16.00 hours.

*The Committee then adjourned.*



## VI

### Sixth Sitting

New Delhi, Tuesday, 12 August, 1980

The Committee sat from 16.00 to 16.30 hours.

#### PRESENT

Shri Harinatha Misra—*Chairman*

#### MEMBERS

2. Shri R. L. Bhatia
3. Shri R. R. Bhole
4. Shri Somnath Chatterjee
5. Shri G. L. Dogra
6. Shri Vijay Kumar Yadav

#### SECRETARIAT

Shri M. P. Gupta—*Senior Table Officer*

2. The Committee took up further consideration of the question of privilege raised by Shri Jyotirmoy Bosu, M.P., against Shri J. R. D. Tata, former Chairman, Air India, regarding certain remarks made by him in a Press interview to the PTI as reported in the newspapers on 29 May, 1979, regarding Committee on Public Undertakings and its Reports on Air India, referred to the Committee by the House on 2 February, 1980.

3. The Committee decided to postpone further consideration of the matter to their next sitting on 6 September, 1980, at 11.00 hours.

*The Committee then adjourned.*

## VII

### Seventh Sitting

New Delhi, Saturday, 6 September, 1980

The Committee sat from 11.00 to 12.45 hours.

#### PRESENT

Shri Harinatha Misra—*Chairman*

#### MEMBERS

2. Shri R. L. Bhatia
3. Shri R. R. Bhole
4. Shri Somnath Chatterjee
5. Shri G. L. Dogra
6. Shri George Fernandes
7. Shri Ram Jethmalani
8. Shrimati Sheila Kaul
9. Shri Jagan Nath Kaushal
10. Shri A. A. Rahim
11. Shri P. Shivshankar
12. Shri Dharam Bir Sinha
13. Shri Vijay Kumar Yadav

#### SECRETARIAT

Shri K. K. Saxena—*Chief Examiner of Bills and Resolutions*  
Shri M. P. Gupta—*Senior Table Officer*

2. The Committee deliberated on the question of privilege raised by Shri Jyotirmoy Bosu, M.P., against Shri J. R. D. Tata, former Chairman, Air India, regarding certain remarks made by him in a press interview to the PTI as reported in the newspapers on 29-5-1979, regarding Committee on Public Undertakings and its Reports on Air India.

3. After considering all aspects of the case, the Committee decided to recommend to the House that the apology tendered by Shri J. R. D. Tata during his evidence before the Committee on 12 July, 1980, be accepted and the matter be dropped.

4. The Committee decided that a Draft Report be prepared on the basis of the decision arrived at by the Committee and be circulated to the members of the Committee for consideration at the next sitting of the Committee.

*The Committee then adjourned.*

## VIII

### **Eighth Sitting**

*New Delhi, Tuesday, 5 May, 1981*

The Committee sat from 15.00 to 15.40 hours.

#### PRESENT

Shri Harinatha Misra—*Chairman*

#### MEMBERS

2. Shri Somnath Chatterjee
3. Shri G. L. Dogra
4. Shri Ram Jethmalani
5. Shri A. A. Rahim
6. Shri P. Shivshankar
7. Shri Dharam Bir Sinha

#### SECRETARIAT

Shri M. P. Gupta—*Senior Table Officer*

2. The Committee considered their draft First Report on the question of privilege raised by Shri Jyotirmoy Bosu, M.P., against Shri J.R.D. Tata, former Chairman, Air India, regarding certain remarks made by him in a press interview to the P.T.I. as reported in the newspapers on 29 May, 1979, regarding Committee on Public Undertakings and its Reports on Air India.

3. The Committee adopted the draft Report with the following modification:—

#### Paragraph 18—

The following sentence be omitted:—

“But the Committee feel that for such infirmities, allowance has to be made to the sentiments of Shri Tata due to his long and intimate association with the affairs of Air India.”

4. The Committee decided that the evidence taken before the Committee be appended to the Report of the Committee.

5. The Committee authorised the Chairman and, in his absence, Shri Dharam Bir Sinha, M.P., to present their First Report to the House on 8 May, 1981.

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*The Committee then adjourned.*

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\*\*Para 6 relates to another case and has, accordingly been omitted.

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MINUTES OF EVIDENCE

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MINUTES OF EVIDENCE TAKEN BEFORE THE  
COMMITTEE OF PRIVILEGES  
*Saturday, 12 July, 1980*

PRESENT

Shri Harinatha Misra—*Chairman*

MEMBERS

2. Shri R. R. Bhole
3. Shri G. L. Dogra
4. Shri George Fernandes
5. Shri Jagan Nath Kaushal
6. Shri P. Shiv Shankar
7. Shri P. Venkatasubbaiah
8. Shri Vijay Kumar Yadav

SECRETARIAT

Shri K. K. Saxena—*Chief Examiner of Bills and Resolutions*

Shri M. P. Gupta—*Senior Table Officer*

WITNESS

Shri J. R. D. Tata, *Former Chairman, Air India*

(The Committee met at 09.30 hours)

**Evidence of Shri J. R. D. Tata**

MR. CHAIRMAN: Shri J. R. D. Tata, you have been asked to appear before this Committee to give evidence in connection with the question of privilege raised by Shri Jyotirmoy Bosu, M.P., regarding certain remarks made by you in a press interview to the P.T.I. as reported in the newspapers on 29-5-1979, regarding Committee on Public Undertakings and its Report on Air India.

I hope you will state the factual position frankly and truthfully to enable this Committee to arrive at a correct finding.

I may inform you that under Rule 275 of the Rules of Procedure of Lok Sabha, the evidence that you may give before the

Committee is to be treated by you as confidential till the Report of the Committee and its proceedings are presented to Lok Sabha. Any premature disclosure or publication of the proceedings of the Committee would constitute a breach of privilege and contempt of the Committee. The evidence which you will give before the Committee may be reported to the House.

Now you may please take oath or affirmation as you like.

SHRI J. R. D. TATA: I, J. R. D. Tata, swear in the name of God that the evidence which I shall give in this case shall be true, that I will conceal nothing and that no part of my evidence shall be false.

SHRI P. SHIV SHANKAR: Have you got anything more by way of your explanation or written statement to the notice that is issued to you? Perhaps you are aware that in paragraph 4 of the Notice that has been issued to you, you are called upon to file a statement if you so like. We would like to know whether you would like to make a further statement or you say what you have written is sufficient.

SHRI J. R. D. TATA: I have nothing to add, in view of the letter I wrote to the Speaker in July 1979, which I supplemented with a letter of 1st Feb. 1980, except to express sorrow.

MR. CHAIRMAN: It appears that you wrote two letters to the Speaker, the first one on 3rd July 1979 and the second one on 1st Feb. 1980. Do you stand by what you have written in these letters?

SHRI P. SHIV SHANKAR: You kindly go through these two letters. What the Chairman would like to know is whether you stand by these two letters.

SHRI TATA: Yes Sir, 100 per cent.

MR. CHAIRMAN: If you have anything more to say, which has not been referred to or which does not find a place in your letters, you may say it now verbally and it will be recorded. After that, if the hon. members want to put certain questions, you may reply to each of them.

SHRI TATA: I am ready to answer questions. I have nothing personally to contribute in addition to all that I have said in these two letters.



**SHRI-GEORGE FERNANDES:** I would like to ask a few questions.

Mr. Tata, you appeared before the Committee which gave this report, which subsequently incensed you to make this statement about it. Did you get the impression when you appeared before that Committee that the Chairman had already pre-judged the issue and he was determined to give an adverse report on Air India?

**SHRI TATA:** I could not because I had not read the Report. But I did only to the extent I noted from the reports I had from my friends from my ex-associates, who had been called upon to give evidence before the Committee. When I learnt the manner in which they had been treated, bullied, threatened, their remarks were brushed aside,—they were treated with total lack of consideration—that at least gave me the impression that it would be unlikely that there would be a fair judgement in the Report on Air India. But that is all. It is only after I read the Report that my indignation and my feelings were aroused and after Mr. Jyotirmoy Bosu himself had given an interview to Blitz, even before the Report had been studied by Parliament or even by the Government. He himself, not as the Chairman of the Committee on Public Undertakings but as an individual goes to the press, goes to Blitz which is known to be a sensation—mongering paper and gives evidence in which he discloses or says something of the things in the Report and adds further to them. Then I realised what one was to expect.

**MR. CHAIRMAN:** I think, you are referring to an interview which Mr. Jyotirmoy Bosu gave to Blitz and published in its issue of 26 May, 1979.

**SHRI J. R. D. TATA:** Yes; exactly that. I have got it right here.

**SHRI GEORGE FERNANDES:** You say, you stand by every word of the letters that you have written on 3rd July, 1979 and 1st February, 1980. In your letter of 3rd July, 1979; paragraph 4; it is stated:

“I deeply regret, however, that I did not make it clear that my comment about the misuse of the machinery of Parliament and other criticisms of the Report and the manner in which the inquiry was conducted were directed not at the Committee as a whole but only at Shri Jyotirmoy

Bosu who as Chairman of the Committee took upon himself virtually alone the task of conducting the inquiry and examining witnesses."

Firstly, are you aware that anything that is directed against the Chairman is, in fact; addressed to the Committee itself?

SHRI J. R. D. TATA: I realise that now; perhaps, I did not realise it adequately at that time.

SHRI GEORGE FERNANDES: You still stand by this letter?

SHRI J. R. D. TATA: I have expressed regret to the extent that I did not realise that it could be interpreted that way. I did not realise that my remarks would be interpreted that way. I have expressed regret and unconditional apologies for that.

SHRI GEORGE FERNANDES: Secondly, when you make a charge against the Chairman of the Committee, are you not aware that you are also making a charge against the entire Committee that it is allowing itself to be led by the nose by the Chairman whose intentions at least in your opinion are questionable?

SHRI J. R. D. TATA: May I point out that, when I was there and according to the reports I got from the people who went there, throughout the meeting, Mr. Jyotirmoy Bosu was alone and occasionally one or two members of the Committee would drop in. Mr. Bosu conducted the entire inquiry or inquisition, as I regretfully called it, alone. Nobody else asked the questions. It is Mr. Bosu and not the Committee which went to Blitz and gave an interview which I beg to submit was totally improper on the part of the Chairman of the Committee. I presume, therefore, he did not give that interview on behalf of the Committee. He gave that interview to Blitz as Mr. Bosu, as an individual.

SHRI P. SHIV SHANKAR: You should answer precisely so that your answer may not be beyond the periphery and it might again create more complications.

The question which I would like to ask is this. Before 28th May, 1979, when you gave the press interview; were you aware that any remark derogatory to the honour of Parliament or its Committee or its Chairman or the members of the Committee amounted to a breach of privilege? Were you aware or were you not aware?

**SHRI J. R. D. TATA:** You are asking whether my remarks would be derogatory to the Committee?

**SHRI P. SHIV SHANKAR:** I am asking a very general question. Were you aware or were you not aware, before 28th May 1979—that is, the date on which you gave the press interview—that any remark derogatory to the honour of the House or its Committees or its Members amounted to a breach of privilege? I am asking a very general question: I am not asking anything with reference to your remarks.

**SHRI J. R. D. TATA:** I would certainly be aware, as an Indian citizen of some reasonable education, that any remarks derogatory to Parliament are not acceptable....

**SHRI P. SHIV SHANKAR:** Or its Committees or its Members, *qua* the working of the Committee, or the Members in the discharge of their functions?

**SHRI J. R. D. TATA:** So far as its Members in the discharge of their functions are concerned, I certainly was aware of that. But I did not realise perhaps that the remarks I had made would be treated as such; and they were not intended to be meant as derogatory to Parliament or to the Committee. I must confess....

**SHRI P. SHIV SHANKAR:** Then, may I ask the question as to what prevented you from coming forth with an unconditional apology before this Committee at the time you addressed a letter to the Speaker himself? Can you give any reason as to what prevented you from coming forth with an unconditional apology? Can you give a reason or can you not give a reason?

**SHRI J. R. D. TATA:** I do not understand entirely what you mean by 'unconditional apology'. If, by 'unconditional apology' you mean, in fact; apologising for giving an interview, for defending Air India; for countering the totally wrong arguments or totally unfair criticism of Mr. Bosu and his attitude towards the staff of Air India who could not defend themselves well. I was not prepared to give any such unconditional apology. But I did make, and still make, and can make at any time, an apology unconditionally. In fact; I used the word 'unconditional' in regard to the....

**SHRI P. SHIV SHANKAR:** Did you or did you not say:

"It provides its own sad evidence of how far or, shall I say, how low some elected representatives of the people are

prepared to go to satisfy their political or ideological ends, irrespective of the harm and loss of prestige thereby caused not only to those so unfairly attacked but also to the public sector as a whole”.

Did you say this or did you not say this?

SHRI J. R. D. TATA: I said this, undoubtedly, and I have apologised for it.

SHRI P. SHIV SHANKAR: Another question I would like to ask is this: were you not informed, in the letter of the Lok Sabha Secretariat, that these remarks are derogatory to the honour of Parliament and its Members and, what have you to say in this regard?

SHRI J. R. D. TATA: No Sir, I was not so informed, I was informed of the complaint that has been lodged, and I wrote a letter to the Speaker.

SHRI P. SHIV SHANKAR: Will you please look up your reply, just a little above para 8, item 4? I am quoting from paragraph 7 of your letter:

“Form a reading of the letters from Shri Qureshi and Shri Ravi to the Secretary of the Lok Sabha, it would seem that the charge of breach of Parliamentary privilege against me is based on the following statements I made in the course of my interview:

- (4) I said that Shri Bosu's 'cheap gibe' about Air India officers living like Maharajas and neo-princes who fattened themselves with Air India's money was outrageous, unworthy of Parliament and provided sad evidence of how far or how low some elected representatives of the people were prepared to go to satisfy political or ideological ends, irrespective of the harm and loss of prestige thereby caused not only to those unfairly attacked but also to the public sector as a whole.

“The following paragraphs contain my comments in regard to each of the above points.” etc., etc.

Therefore, I am again putting you this question. You were

notified specifically that this particular sentence which you uttered amounted to a breach of privilege...

SHRI J. R. D. TATA: Yes, Sir.

SHRI P. SHIV SHANKAR: Then what prevented you from straightway coming forth on this point—not with reference to the merits—with an unqualified, unconditional apology?

SHRI J. R. D. TATA: Because I thought that, in point 4 of my reply to the Speaker, I had given that unconditional apology. I have said, I withdraw; I was wrong; I admit that I should have used different words, I was only thinking of Mr. Bosu and not of other Members. I have said that I withdraw them unconditionally, but I must maintain in doing so the substance of my criticism, that Shri Bosu's description of Air India, etc., etc., did much damage. So, I unconditionally withdrew those words, which at that time I did not realise....

MR. CHAIRMAN: In paragraph 4 of your letter dated the 3rd July, 1979, you have said:

“I deeply regret, however, that I did not make it clear that my comment about the misuse of the machinery of Parliament and other criticisms of the Report and the manner in which the inquiry was conducted were directed not at the Committee as a whole but only at Shri Jyotirmoy Bosu who, as Chairman of the Committee, took upon himself virtually alone the task of conducting the inquiry and examining witnesses. I thought that this would be clear from the text and from my reference to ‘personal opinions or creeds’. If, through my failure to make this unquestionably clear....” etc. etc.

So, so far as the Committee as a whole or Parliament or other Members are concerned, you have expressed your regret. But you clearly state that, as far as the Chairman of the Committee, Mr. Jyotirmoy Bosu, is concerned, you stand by the remarks. Is that the position even now?

SHRI J. R. D. TATA: I still respectfully submit that Mr. Jyotirmoy Bosu's giving the interview to *Blitz* could be on behalf of the Committee, as Chairman of the Committee; he gave it as an individual. And if to a public press—the report of the Committee is secret until it is disclosed or made public—a Member of

Parliament and Chairman of an important Committee goes, and to the kind of press that the *Blitz* is, and discloses its contents and charges the members of Government, the members of staff, and attacks them for taking bribes, makes such statements, am I to ignore them? As a citizen of India apart from being ex-Chairman of Air India, am I not entitled to counter Mr. Bosu's statement? It is in that capacity that I must defend myself. If he had not given that interview and if it had been pointed out to me, I might have said, 'I apologise totally to Mr. Bosu himself'. But, frankly, with great respect I submit that Mr. Bosu put himself beyond the pale of having to be respected for his statement which he gave to the press. I also stand by that and I repeated what was said in the report.

SHRI P. SHIV SHANKAR: Last question. Hereafter my colleagues may consider asking questions.

Though apology would not be a weapon of defence, do you even at this stage feel that what you have said is wrong and are you prepared to tender your unqualified and unconditional apology for the words used and about which you have been given notice that they are derogatory to the honour of the Committee and the Members?

SHRI J. R. D. TATA: Of course, I thought I had done so. I unconditionally withdrew them and I unconditionally apologised for them. Undoubtedly so. In my ignorance purely as a citizen and as a businessman I did not realise that these words could be interpreted as an attack on the Parliament and I withdraw them.

SHRI G. L. DOGRA: How long are you associated with Air India?

SHRI J. R. D. TATA: I founded Air India or its predecessor airline in 1932 and I was with it as Chairman till 1978. That means for 46 years and from nationalisation in 1953 upto 1978, that is, for 25 years.

SHRI G. L. DOGRA: Previous to this other PU Committees must have examined Air India in the past?

SHRI J. R. D. TATA: Yes, but Air India management was never called before PUC as far as I could remember. I have no recollection of that.

SHRI G. L. DOGRA: Was there any unpleasantness in the past between you and the Parliament or between you and Air India?

SHRI J. R. D. TATA: No. There was no unpleasantness between me and Air India or with the Parliament.

SHRI G. L. DOGRA: If Mr. Bosu had not gone to the BLITZ, this occasion would not have arisen?

SHRI J. R. D. TATA: I must admit I cannot say that. I would still have replied and defended Air India, but, I would perhaps have done it with less indignation and more temperate words.

SHRI G. L. DOGRA: Was there any other public criticism by Mr. Bosu of Air India?

SHRI J. R. D. TATA: My goodness, Yes; every word of the report is that.

SHRI G. L. DOGRA: The report, when it goes to the House and from the House it is published, that is a different thing, but here it went to the Press straight. I just want to know that on this occasion because Mr. Bosu went to the BLITZ... ..

SHRI J. R. D. TATA: No, no. I repeat it would not be fair for me to say that. I considered that in the public interest it was essential for some one to answer the accusations made by Mr. Bosu against a public sector enterprise for which I had worked and which I had built up for 25 years of the post-nationalisation period. Therefore, I would still have given an interview and answered the questions at the interview. But as I said, I might have answered them perhaps in a little more restricted language. I was very indignant—I must confess—largely because of that interview as an additional reason.

SHRI G. L. DOGRA: Another question which I would like to ask you is this. In your letter of 1st February, 1980 in the first page, last para; you have said:

‘Eminent Counsel has advised me that this Parliament cannot question the privilege in respect of the contempt...’

You still believe in it.

SHRI J. R. D. TATA: I am not a lawyer. I can only say I have been advised by a recognised eminent counsel. That is the position

**SHRI VIJAY KUMAR YADAV:** Mr. Tata, is it not a fact that you made these remarks only because the Report of the Committee went against Air India?

**SHRI J. R. D. TATA:** No, Sir. I think that any organisation should be subject to criticism. In a big organisation wrong things may be done. But, certainly, it is not because it went against Air-India. It was because in my judgement it meant damaging totally Air-India. It was an unjustified statement which did not correspond to the truth and it showed an amazing ignorance even of what should have been known after the evidence that was given.

**SHRI P. SHIV SHANKAR:** Mr. Tata, this Committee would not go into the merits of the Report that had been submitted by the Public Undertakings Committee. Whether it is right or not, it cannot go into that. We are confining ourselves only to the privilege issue. You cannot take shelter under the merits of that case which you want to advance.

**SHRI J. R. D. TATA:** You asked me whether it is a fact or not; I gave the answer 'No'. No doubt Air-India was criticised. If it had been criticised fairly, I would not have said 'No'. It was because I was absolutely convinced that it has been most unfairly and damagingly....

**SHRI P. SHIV SHANKAR:** I would put you on caution. Please don't go into the merits.

**SHRI R. R. BHOLE:** You need not give any other statement except some precise reply.

**SHRI J. R. D. TATA:** What must I say? Must I say 'No' to the question. The question to me was: did you give that interview because the report went against Air-India? How am I to answer that expect to qualify that? I cannot say 'no' and I cannot say 'yes'. If I say 'yes' it would mean that a mere criticism of Air-India would bring forth an interview.

**SHRI VIJAY KUMAR YADAV:** Do you still hold that the Report of the Committee was not the report of the Committee; rather it was the report of Shri Bosu?

**SHRI J. R. D. TATA:** Definitely, Sir.

**SHRI GEORGE FERNANDES:** Mr. Tata, you said that you would be willing to give an unqualified and unconditional apology



so far as point No. 4 of your letter which was referred to just now is concerned. Do I take it that in so far as points 1, 2 and 3 of para 7 of your letter are concerned, you stand by them?

SHRI J. R. D. TATA: I have answered each point. What I said was in answer to the points. And I stand by what I have said. I apologise—I realise now that most of the points could be interpreted in a particular way.

SHRI P. SHIV SHANKAR: What my friend is asking you is this. Points 1, 2, 3 and 4 you have answered, surely, on merits. What exactly he is asking you is this. If you see the paragraph again, the words that are incorporated in sub-paragraphs 1, 2, 3, and 4, you have, of course, said about 4. On 1, 2 and 3, supposing the Committee feels that they are derogatory to the honour of Parliament, are you prepared to tender an unqualified and unconditional apology? That is what he seems to have asked. In case the Committee feels that they are derogatory, what is your attitude at this stage?

SHRI J. R. D. TATA: I have no hesitation if this Committee or any Committee of Parliament finds that something I said is derogatory to Parliament and to a Committee of Parliament—whether I meant it or whether it was inadvertently made—of course, I unconditionally apologise but...

SHRI P. SHIV SHANKAR: On merits we are not asking.

SHRI J. R. D. TATA: I do not unconditionally apologise for what I said in this particular part of the statement about Mr. Bosu, I mean, the substance of it.

SHRI P. SHIV SHANKAR: Would you like to lead any more evidence or would you like to close your evidence?

SHRI J. R. D. TATA: My evidence is only to answer questions.

SHRI P. SHIV SHANKAR: Would you like to lead any further evidence in the matter or shall we treat it as closed? We would like to give you a fair opportunity.

SHRI J. R. D. TATA: I would like to say that as I understand Article 105 of the Constitution before and after the Forty-fourth Amendment, I frankly and with due respect deny that I said or made statements—at least in my judgement—which were derogatory or which were in breach of the privileges of the House. That is my own view; otherwise, I would not have made those statements.

SHRI P. SHIV SHANKAR: Why do you get unnecessarily involved? My pointed question is whether or not you would like to lead further evidence.

SHRI J. R. D. TATA: I must take this opportunity of saying as ex-Chairman of Air India, and as an Indian—I am proud to be an Indian—believing in the future of India that there is a very dismal future if citizens of India are discouraged from expressing their views uninhibitedly.

Sir, I will close only by saying that I felt absolutely convinced that it was a public duty and I would have failed in my public duty if I had not done what I had done; I shall do it today and I shall always say that as a citizen; at the same time I apologise if I have done anything wrong, but I would have failed in my duty as an Indian had I not done so, and I did it for the public good, and if I used any words derogatory to Parliament or to its Committee, of course, I unconditionally apologise...

SHRI P. VENKATASUBBAIAH: The point is very limited. The point is that the words used were against Mr. Bosu in his capacity as Chairman of the Public Undertakings Committee, for which you have tendered an unconditional and unqualified apology. This is a limited question on which we wanted your evidence in the matter. The Committee has clearly stated that they are not going into the merits of the case at all. If you want to go into the merits of the case and lead further evidence, the Committee has no objection to hear you. This is the crux of the problem.

SHRI J. R. D. TATA: I have no further evidence.

MR. CHAIRMAN: Nothing more to ask?—All right.

I thank you very much, Mr. Tata, for taking the trouble of coming and appearing before the Committee.

SHRI J. R. D. TATA: Thank you.

*(The witness then withdrew)*

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## APPENDICES

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## LIST OF APPENDICES

I. Copy of Notice dated 22-1-1980 given by Shri Jyotirmoy Bosu, M.P.

II. Copy of news report which appeared in the Times of India, dated 29-5-1979.

III. Copy of written statement dated 3-7-1979 received from Shri J. R. D. Tata

IV. Copy of note submitted by the Chairman, Committee on Public Undertakings to the Speaker.

V. Copy of letter dated 1-2-1980 received from Shri J. R. D. Tata.

APPENDIX I

(See para 8 of the Report)

Copy of Notice dated 22-1-1980 given by Shri Jyotirmoy Bosu, M.P.

JYOTIRMOY BOSU  
MEMBER OF PARLIAMENT

Chief Whip, Communist Party of India (Marxist).

New Delhi,

Dated 22nd January, 1980.

Secretary,  
Lok Sabha,  
New Delhi.

Dear Sir,

Under Rule 222/223, the consent of the Speaker is sought once again to raise a question involving a breach of privilege of the House and of the Public Undertakings Committee. This particular issue was raised in the last Lok Sabha and the House was unanimous that a strong *prima facie* case of breach of privilege against Shri J. R.D. Tata existed and the Speaker was good enough to send the matter to the Privilege Committee without a debate.

The facts of the case are as follows:—

The Committee on Public Undertakings on the basis of evidence written and oral—and after factual verifications from Air India, from the Ministry of Civil Aviation & Tourism submitted three Reports. In its narration and recommendations certain lapses, failures etc. as revealed through evidence on the part of Air India were pointed out.

Shri J. R. D. Tata on 28th May, 1979 in a Press Interview made certain most derogatory remarks with regard to Members of Parliament, Members of the Public Undertakings Committee (6th Lok Sabha) and its Chairman.

He went to the extent of saying:

"It also provides its own sad evidence of how far or should I say, how low, some elected representatives of the People are prepared to go to satisfy political or ideological ends irrespective of the harm and

loss of prestige thereby caused not only to those so unfairly attacked but also the Public Sector on the whole."

I do not think in the history of this Parliament such vilification in so contemptuous a language has been done by a single individual. Perhaps, the money power has got into his head and as a result through the statement, he wanted to make a mockery of Parliament and the Parliamentary system.

This is a clear case of breach of privilege of the worst type. I would request you to please refer the matter to the Privilege Committee. I would like to raise it on 23rd January, 1980.

Yours sincerely,

Sd/

(JYOTIRMAY BOSU)

## APPENDIX II

(See para 8 of the Report)

Copy of news report which appeared in the Times of India,  
dated 29-5-1979

The Times of India

dated 29-5-1979

PUC 'Attack' on A-I uncalled for: Tata

NEW DELHI, May 28: Mr. J.R.D. Tata, former Chairman of Air India and doyen of Indian Industry has described the report of the public Undertakings Committee of Parliament on Air India as 'astonishing and an uncalled for attack on the most prestigious and successful public sector enterprise in the country'.

Mr. Tata, in an interview to PTI said he was himself one of the witnesses summoned by the Committee to give evidence and he was 'astonished at the extent of the ignorance displayed of the economic and administrative realities (by the Committee)'.

"I was sorry at seeing so important a part of the machinery of Parliament misused, as it seems to have been in this case, to subserve personal opinions or creeds."

Even though every effort was made to educate the Committee on the special character and features of this 'most fiercely competitive of all inter-national industries', it was abundantly clear to him that Mr. Jyotirmoy Bosu, Chairman of the Committee had 'made up his mind in advance to write an adverse report'.

Mr. Tata said that the manner in which the proceedings were conducted, virtually by the Chairman alone in the total absence of the other members, and therefore without the prescribed quorum, was an 'inquisition rather than an inquiry'.

"This was highly objectionable and unworthy of the great parliamentary body on behalf of which the inquiry was held," he said.

### 'ACCUSATIONS & THREATS'

'Many of the officers of the airlines summoned to give evidence were subjected to bullying, baseless accusations and even to threats.

All normal productive work virtually ceased and thousands of hours of time and overtime of the personnel of the airlines were unnecessarily spent on gathering and furnishing a mass of unbelievably detailed facts, figures and statistics at enormous cost in cables, telex and telephone charges.'

"Senior officials of Air-India had repeatedly to be called and recalled from Indian and overseas offices to supply information or to appear before the Committee. As an example of the lack of consideration shown by the Committee, Air-India's regional director for the USA and Canada was not heard when he appeared and was made to return after a week, involving 32,000 miles of wasteful and exhausting travel."

Mr. Tata said the Chairman of the Committee was virtually the only Speaker throughout the inquiry and this fact was not revealed in the report itself. "I would strongly recommend to the Lok Sabha authorities that verbatim records of the inquiry should be made public, against payment if necessary, so that Parliament, the Press and other interested parties may see for themselves the manner in which the inquiry was conducted."

#### BILATERAL AGREEMENTS

On the criticism of the Committee that bilateral agreements entered into by the Government and Air-India with foreign countries and foreign airlines were heavily weighted against national interest. Mr. Tata said anyone with even an elementary knowledge of the working of the international air transport system would appreciate how 'baseless this charge is'. The Committee had been told that bilateral treaties and the exchange of traffic rights were negotiated between Governments and imposed on the national airlines concerned.

The fact that Air-India carried only 43 per cent of the total traffic into and out of India or that other airlines operated more services through India had been used by the Committee to prove that Indian interests had been betrayed possibly for the benefit of corrupt officials, Mr. Tata added. The contrary would be obvious on any honest assessment of the matter."

Mr. Tata said that 36 foreign airlines operating to or through India serving countries throughout the world with an aggregate fleet of several hundred aircraft, Air-India's performance in securing 43 per cent of the total traffic with 15 aircraft serving 34 countries was, in fact, a remarkable achievement which "deserved high praise instead of the condemnation meted out to it."



On the committee's complaint that foreign airlines were allowed to operate more services to India than Air-India did to foreign countries, Mr. Tata said if India did not, for the time being, operate all the services provided under bilateral treaties, it was simply because of the current limitation of its fully utilised fleet. Any attempt to limit the operations of foreign carriers, under the circumstances, would have deprived India of a good part of the available flow of tourists and foreign exchange.

On the committee's recommendation that Air-India should operate more services to socialist countries, Mr. Tata said it would result in serious financial loss to Air-India and wondered whose national interests were sought to be served by doing so.

On the charges made by the committee that Calcutta and Madras airports have been continuously ignored by that foreign airlines, some of whom had been allowed to shift their operations to Bombay and Delhi, Mr. Tata said if practically all the airlines of the world had abandoned Calcutta, it was simply because very few travellers wanted to go there.

"The Chairman of the Committee should surely know the causes of this commercial and tourist near-boycott of that unfortunate city and what should be done to make Calcutta and Bengal once again attractive to tourists and visitors. In the meantime, should Air-India and foreign airlines be compelled to land and take off empty planes to please him and satisfy his regional ego."

#### STAFF COST

On the committee's criticism that Air-India was spending as much as 50 per cent of the total staff cost on its commercial department, Mr. Tata said what was significant was to note that Air-India spent only about 15 per cent of its total operating expenses on wages as against over 30 per cent in most other airlines.

Referring to the committee's remark that 'Air-India executives have been living like maharajas at the cost of the poor millions of the country', Mr. Tata said it was a 'cheap gibe and outrageous, to put it mildly'.

"Apart from being wholly incorrect, it is grossly unfair to a fine and dedicated team of executives, including many non-Indians of whose enthusiasm and devotion to the airline I have had abundant proof over my many years of stewardship as Chairman."

"It also provides its own sad evidence of how far, or should I say how low, some elected representatives of the people are prepared to

go to satisfy political or ideological ends, irrespective of the harm and loss of prestige thereby caused not only to those so unfairly attacked but also to the public sector as a whole." Mr. Tata added.

In regard to the three main criticisms of the committee referring to house rent paid to officers, use of cars and entertainment expenses, Mr. Tata said the committee had brushed aside perfectly valid explanations furnished to it.

Mr. Tata considered as reasonable Rs. 8.5 lakhs spent in a year by 41 executive based in India, and said this could not be considered 'lavish'. In fact, it could be considered 'insignificant' in relation to Air-India's traffic revenue of about Rs. 365 crores a year.

Mr. Tata sincerely hoped that recognising "the unsound and unfair character of the report, the Government will disregard both its unsubstantiated accusations and its ill-conceived recommendations which, if adopted, would destroy what is left of the morale of Air-India's organisation and ultimately lead to the end of the corporation's progress and profitability."

"In this report can be found the principal causes of the relatively poor performance and abysmally low morale of most public sector enterprises in the country, for it exemplifies the excessive supervision and control over their day-to-day operations sought to be exercised by Parliament, which itself has led to a correspondingly excessive supervision by ministers and the bureaucracy."

"I wish our Parliament and Government would study the very different conditions prevailing in other democratic countries where the boards and management of public sector enterprises are trusted, enjoy confidence and a high degree of autonomy, and show results equal to the best in the private sector", he said.

### APPENDIX III

(See para 10 of the Report)

Copy of written statement dated 3-7-1979 received from Shri  
J. R. D. Tata

Bombay House,  
24 Homi Modi Street,  
Fort, Bombay 400023.  
3rd July, 1979.

To

The Hon'ble Speaker,  
Lok Sabha,  
New Delhi.

Mr. Speaker, Sir,

Subject: Notices of Privilege against me by Shri Vayalar Ravi, M.P.  
and Shri Mohd. Shafi Qureshi, M.P., under Rules 222 and 223.

1. I write this letter in response to two letters, Nos. 17/1/TO/79 (I) and (II) dated 14th June 1979, from the Chief Examiner of Bills & Resolutions, conveying to me a directive to submit to you what I have to say in regard to the above charges against me that I have committed a breach of Parliamentary privilege in a Press interview on the Report of the Committee on Public Undertakings (COPU) appearing on the 29th May 1979.

2. As the text of the interview as I had submitted it to PTI and to the Editor of the Sunday Standard in Bombay was edited and abridged in all the newspapers which published it, highlighting particular words or phrases occasionally out of context, I attach a copy of the full text.\*

3. I must first convey to you, Mr. Speaker, my sincere assurance that I have the deepest respect for the Institution of Parliament which I have always considered, and still do, as the very personification of the freedom we won 32 years ago, and the supreme guardian of our democracy. Nothing could therefore have been further from my mind when I gave the interview to the Press on the Report of the Committee on Public Enterprises than to show disrespect to-

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\*Annexure A to Appendix III.

wards Parliament or to cast any reflection on the members of the Committee or the Committee itself. In fact, the indignation which I felt and expressed in the above interview on reading Shri Jyotirmoy Bosu's Report on Air-India and learning from my old Associates in Air-India of the manner in which they had been treated during their interrogation by Shri Bosu, was aroused not only by its unfairness and the harm done to Air-India and its dedicated organisation both in India and abroad, but equally by the damage to the prestige and credibility of an important Committee of Parliament and therefore to Parliament itself. In fact, I made more than one reference to this aspect of the matter in the course of my interview, as, for instance, when I said that the manner in which the inquiry had been conducted by Shri Jyotirmoy Bosu was "unworthy of the great Parliamentary body on behalf of which the inquiry was held".

4. I deeply regret, however, that I did not make it clear that my comment about the misuse of the machinery of Parliament and other criticisms of the Report and the manner in which the inquiry was conducted were directed not at the Committee as a whole but only at Shri Jyotirmoy Bosu who as Chairman of the Committee took upon himself virtually alone the task of conducting the inquiry and examining witnesses. I thought that this would be clear from the text and from my reference to "personal opinions or creeds". If, through my failure to make this unquestionably clear, my remarks inadvertently involved disrespect to the Committee as a whole, and through them to Parliament itself, I can only express sincere regret and unconditionally apologise for it.

5. Before I deal with the specific charges levelled against me in having publicly criticised a Parliamentary Committee Report in the Press, may I respectfully draw your kind attention to the fact that before Government, let alone Parliament, had had time to study and discuss his Report, and *before my own interview appeared in the Press*, (which therefore, could not have provoked Shri Bosu), he himself gave a long personal interview to BLITZ\*, a large circulation weekly, in which he repeated and elaborated his attack on Air-India and its officers, and on Government's aeronautical authorities for policies and actions with which he disagreed. In that interview he disclosed and commented on parts of the evidence given to the Committee, characterised Air-India's bilateral agreements with foreign airlines as "a lot of hanky panky", and concluded; "I am very happy I have been able to produce this report".

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\*A press clipping from Blitz, dated 26-5-1979 is at Annexure B to Appendix III, which appears to have been referred to by Shri J.R.D. Tata.

6. If a Member of Parliament goes to the Press in respect of a report made to Parliament of which he is the author and expresses strong views on matters referred to in the report—disclosing also the evidence given—, should a citizen be prevented from controverting in public, equally strongly, the views so expressed? In fact, after my interview appeared, Shri Bosu again called a Press conference to renew his attack on Air-India and its officials adding me and Tatas for good measure.

7. From a reading of the letters from Shri Qureshi and Shri Ravi to the Secretary of the Lok Sabha, it would seem that the charge of breach of Parliamentary privilege against me is based on the following statements I made in the course of my interview:

- (1) I had expressed sorrow at seeing "so important a part of the machinery of Parliament misused, as it seems to have been in this case, to subserve personal opinions or creeds",
- (2) I said Shri Jyotirmoy Bosu had conducted the proceedings of the inquiry as an inquisition rather than an inquiry, and subjected officers of Air-India to bullying, baseless accusations and threats, unworthy of the great Parliamentary body on behalf of which the inquiry was held.
- (3) I said that Shri Bosu had made up his mind in advance to write an adverse report on Air-India.
- (4) I said that Shri Bosu's "cheap gibe" about Air-India officers living like Maharajas and neo-princes who fattened themselves with Air-India's money was outrageous, unworthy of Parliament and provided sad evidence of how far or how low some elected representatives of the people were prepared to go to satisfy political or ideological ends, irrespective of the harm and loss of prestige thereby caused not only to those unfairly attacked but also to public sector as a whole.

8. The following paragraphs contain my comments in regard to each of the above points.

*Point (1)* While I have earlier expressed regret that the wording I used in my reference to a misuse of Parliamentary machinery may inadvertently and wrongly have allowed the impression to be created that I was referring to the Committee as a whole I stand by my remark in its application to Shri Bosu himself who in his

apparent anxiety to condemn the Air-India management and the Aeronautical authorities of the Government of India exceeded his powers as Chairman of a Parliamentary Committee, on the one hand by harsh treatment of, and aggressive language towards, witnesses in disregard of recognised norms of fairness and civility, and on the other, by extending the scope of the inquiry far beyond its normal function as set out in Rules 312 (A) and 312 (B) of the Rules of Procedure and Conduct of Business in the Lok Sabha. These Rules specifically provide that the Committee on Public Undertakings shall not examine and investigate any matters of major Government policy as distinct from business or commercial functions of the public undertaking or matters of day to day administration or matters for consideration of which machinery is established by any special statute under which a public undertaking is established. Yet Shri Bosu took it upon himself not only to question but also to criticise matters of major Government policy such as the grant or exchange of traffic rights in bilateral treaties with other countries, and matters of day to day administration such as the allocation and use of cars by executives of Air-India, expenditure on business entertainment, rental paid for accommodation secured by the Corporation for the use of its executives, and the grant of free or concessional passages, etc.

As a matter of fact and relevance, I may add that all the bilateral agreements entered into by Air-India with the airlines of other countries in regard to reciprocal entitlements were pre-approved by Government and were within the framework of the bilateral treaties solemnly entered into between the Government of India and Governments of other countries.

Point (2) I respectfully submit that this statement on my part involved no breach of privilege as the word 'inquisition' has no derogatory connotation. The only difference one could attribute to an 'inquisition' as distinct from an 'inquiry', both of which according to the dictionary mean an investigation is that in Roman Catholic history the word 'inquisition' was specifically used in connection with investigations into suspected heresy by an ecclesiastical tribunal. Even if account is taken of the fact that these tribunals are reported to have been severe towards those interrogated by them, the word is in no way derogatory while its use was entirely appropriate to the manner in which Shri Bosu interrogated witnesses and in which he resorted to unjust insinuations and threats in an effort to instil fear in officers whom he interrogated. As an example of the later, in the course of discussing traffic entitlements extended to foreign airlines under bilateral treaties between the Government of India and foreign Governments con-

cerned. Shri Bosu began by asking Air-India officers he interrogated what consideration they had received in return for what he considered excessive benefits to the former and added that serious consequences would fall upon them if they failed to tell the truth. Throughout his interrogation of Air-India witnesses he consistently rejected or ignored their statements, so much so that on one occasion Air Chief Marshal Lal, Chairman of Air-India, protested that Shri Bosu was (using the same words as I later did in my interview) treating the inquiry as an inquisition. If you, Mr. Speaker, have any doubts in the matter, may I respectfully submit that some or all of the following officers be called by you to testify before you, as to the truth of my statement:

ACM P. C. Lal, Chairman of Air-India

K. G. Appusamy, Vice-Chairman & Managing Director of Air-India (at present on leave preparatory to retirement)

I. D. Sethi, Deputy Managing Director (Commercial), Air-India.

C. L. Sharma, Deputy Managing Director (Headquarters) Air-India.

J. P. de Andrade, Commercial Manager, International Relations, Air-India.

*Point (3)* After reading the Report and being informed by officers who were interrogated by Shri Bosu of his aggressive and threatening attitude and his repeated brushing aside and ignoring any explanation which justified their or Air-India policies or actions, and noting in particular that his Report ignored, and by implication rejected, explanations and views based on facts and on my own long experience of the industry, I could not, Mr. Speaker, in fairness to myself, come to any other conclusion than that Shri Bosu had made up his mind in advance as to the nature of his report. A tendency to hold and adhere to strong opinions are well known characteristics of strong minded persons whose judgements, as a result, often tend to be based more on pre-conceived convictions than on facts when the latter differ from the former. I do not think anyone in or outside Parliament who knows Shri Bosu would disagree with his inclusion amongst such persons, and I respectfully submit that doing so can surely not be interpreted as holding him, much less the Committee or Parliament, in contempt.

*Point (4)* I admit that I ought to have used a different word than "gibe" in describing Shri Bosu's uncalled for and sneering

reference to Air-India officers as "Maharajas and neo-princes living in luxury at the cost of the poor millions of the country." I also admit that my reference to "how far, or should I say how low, some elected representatives of the people are prepared to go to satisfy political or ideological ends irrespective of the harm and loss of prestige thereby caused not only to those so unfairly attacked but also to the public sector as a whole", was liable to be misunderstood. If it is your view, Mr. Speaker, that the above words are such as to cause damage to the prestige and reputation of the Committee, I withdraw them unconditionally, but in doing so I must maintain the substance of my criticism that Shri Bosu's description of Air-India officers and his accusation of exploiting the poor was grossly unfair and uncalled for and did much damage to the morale and reputation of devoted officers of Air-India who were not in a position to defend themselves.

9. In further defence of my action I submit that the allegations stated to constitute a breach of privilege must be examined with reference to the powers, privileges and immunities of the British Houses of Parliament as they exist *today*—that is, to the extent of the powers, privileges and immunities of the Indian Parliament after the 44th Amendment of the Constitution. May I in this connection quote a few paragraphs from the Report dated 1st September, 1967 from the Select Committee on Parliamentary Privilege of the British Parliament:

*Page viii*

#### THE SCOPE OF "PRIVILEGE"

15. . . . . the House should exercise its penal jurisdiction (a) in any event as sparingly as possible and (b) only when it is satisfied that to do so is essential in order to provide reasonable protection for the House, its Members or its Officers, from such improper obstruction or attempt at or threat of obstruction as is causing, or is liable to cause, substantial interference with the performance of their respective functions. . . .

*Pages xiv, xv and xvi*

#### RULES FOR GUIDANCE OF THE HOUSE

41. Your Committee are strongly of the opinion that the House could and should give effect to the basic principle embodied



in the general proposition which they accepted in paragraph 15 by adopting by resolution a set of rules as guidance for the future exercise of its penal jurisdiction.

42. Your Committee think it essential that the proposed rules should follow the basic principle to its logical conclusion. An illustration of this is the case of publications which defame a Member or an identifiable group of Members in respect of their Parliamentary duties. This has in recent times been one of the more publicised occasions for the exercise by Members of their right to invoke Parliament's penal jurisdiction. Your Committee cannot, however, accept that in the normal case it is an essential protection for the House or its Members that they should be able to invoke this jurisdiction when it is open to them, as it is to any other citizen, to take proceedings for defamation in the courts of law. Libels of the character described are, it is true, often couched in intemperate language. But the grosser the libel, the heavier the damages which the courts are likely to award; and if the libel is likely to be repeated, the courts have ample power to prevent the repetition by injunction and, if need be, by committal. Your Committee recommend that in the ordinary case where a Member has a remedy in the courts, he should not be permitted to invoke the penal jurisdiction of the House in lieu of or in addition to the exercise of that remedy.....
43. The proposal made in paragraph 42 is fully consistent with the principle, which Your Committee believe to be right, that the House should be slow and reluctant to use its penal powers to stifle criticism or even abuse, whether of the machinery of the House, of a Member or of an identifiable group of Members, however, strongly the criticism may be expressed and however unjustifiable it may appear to be. Your Committee regard such criticism as the life-blood of democracy. In their view the sensible politician expects and even welcomes criticism of this nature. Nonetheless, a point may be reached at which conduct ceases to be merely intemperate criticism and abuse and becomes or is liable to become an improper obstruction of the functions of Parliament. For such cases, however rare, the penal powers must be preserved and the House must be prepared to exercise them.

46. . . . . For example, a Member who has been libelled may be met in the courts by a defence of "justification" or "fair comment upon a matter of public interest". In Your Committee's opinion it would be an indefensible abuse of power if a Member could evade such a defence by invoking the penal jurisdiction of the House. The citizen has *prima facie* a right to make fair comment upon such activity of a Member as is a matter of public interest; his right is even stronger to speak and publish the truth of a Member's conduct. These rights should not in the normal way be defeated by the use of the penal jurisdiction of the House. The exceptions to this general principle are likely to be rare. But if the rights of a citizen, though enforceable in the courts of law, are so exercised as to be likely improperly to obstruct the Member in the performance of his Parliamentary duty, it must be within the power of the House to restrain him.

Pages xvii, xviii and xix

## TRUTH AS A DEFENCE

50. Your Committee have stated their view in paragraph 46 that when Parliament has provided a defence available to an action in the courts e.g., "justification" or "fair comment upon a matter of public interest" in an action for defamation—it would in all but the exceptional case be wrong to enable a Member to evade the effect of such defence by invoking the penal jurisdiction of the House. This follows from their general principle that it is in the public interest that criticism, even if intemperate and wrong-headed, of Parliamentary institutions or of the conduct of Members should not be stifled unless and until it reaches the point of improper obstruction.

51. Your Committee's belief in the principle stated in paragraph 50 has led them to consider the nature and extent of the defences available when a charge of contempt of the House is made. In particular is "justification" (in the sense in which it is used in the courts) a good defence; if not, should it be?

52. On this question Your Committee have received several memoranda and they are indebted to Sir John Hobson, a Member of the House, for giving oral evidence

before them. Whether in the past the House would have been willing to accept "justification" as a defence capable of rebutting a charge of contempt is uncertain. Opinions are divided and there has been no formal and express ruling on the point. Your Committee do not think that it would assist to recite the various arguments, some highly complicated, which have been addressed to them. Their task is to advise the House how they consider that this issue be dealt with in future. In giving this advice they believe it to be right to proceed upon general principle rather than upon either precedent or technicality.

53. Your Committee believe that this issue raises once again (though in a different form from that in which it has been discussed in the previous paragraphs) the fundamental question of the possible conflict between two principles—the principle that Parliament should be protected from improper obstruction of its functions and the principle of freedom of speech of the citizen to criticise the institution or membership of Parliament. The problem is to assess the right balance between these two principles.
54. Your Committee are satisfied that no impediment should be placed in the way of every citizen's freedom fearlessly and in good faith to criticise Parliament or its Members' activities. It cannot reasonably be contended that an attempt, properly made, to correct that in Parliament which is open to criticism—that, indeed, which may itself be obstructing the proper workings of Parliament—can itself be an improper obstruction. On the contrary, it is clearly in the public interest that such criticism should be made.
55. It follows that in the opinion of Your Committee the House ought to take into account the truth of a statement when deciding whether that statement amounts to a contempt of the House. Your Committee do not, however, take the view that truth alone should in all cases be a complete defence to a charge of contempt, as it is in civil actions of defamation. Even if the allegation made is true, there may be circumstances in which it is manifestly not in the public interest to make it, or in which the width and manner of publication extend far beyond what could reasonably be regarded as necessary or pro-

per in the public interest. Thus, for example, a powerful organ of the Press might, without departing from the truth, make unreasonably persistent use of a Member's personal characteristics or private conduct with the object and intention improperly to interfere with his Parliamentary functions.

56. In the view of your Committee, therefore, a person against whom a complaint is made should not be barred from raising by way of defence that what he said was true and that it was in the public interest that he should say it in the way in which he in fact said it. If the House takes the view that the person so charged was acting fairly in the public interest in making his allegations, he should be acquitted of contempt. If, on the other hand, it is held that, even though the allegations made may have been true, their real character was that of an improper attempt at obstruction of the House or of a Member or Officer of the House in the performance of its or his functions. Your Committee are satisfied that truth alone should not be accepted as a good defence.

10. May I also, Mr. Speaker, respectfully draw attention to the following examples of the British Parliament's approach to such matters:

- (a) In 1948 the Committee of Privileges of the Houses of Parliament in the U. K. declared:

"The Committee is of opinion that it is not consistent with the dignity of the House that penal proceedings for breach of privilege should be taken in the case of every defamatory statement which, strictly, may constitute a contempt of Parliament. While recognising that it is the duty of Parliament to intervene in the case of attacks which may tend to undermine public confidence in and support of the institution of Parliament itself, the Committee thinks it important that on the one hand, the law of Parliamentary Privilege should not be administered in a way which would fetter or discourage the expression of opinion or criticism, however prejudiced or exaggerated such opinions or criticism may be; and that on the other hand the process of Parliamentary investigation should not be used in a way which would give importance to irresponsible statements."

- (b) In 1964 (in Mr. Hogg's case), the Committee of Privileges stated that it was important that the law of Parliamentary Privilege should not, except in the clearest case, be invoked so as to inhibit or discourage the formation and free expression of opinion outside the House...in relation to the conduct of the affairs of the nation." (H.C. 247, 1964).
- (c) In 1947 the justification of privilege was admirably stated by the then Attorney General of the U.K. He said: "The real test is that nothing ought to be done which is calculated to put a man in such fear of consequences if he speaks or acts in a particular way that he will refrain from speaking or acting in that way."
- (d) Speaker Ayyangar of the Lok Sabha referred to the following ruling of the Speaker of the U.K. House of Commons in a case in which during the course of a public speech as reported in the Daily Mail harsh words were used against Members. Said the U.K. Speaker (and this was quoted by the Speaker of the Lok Sabha):

"Harsh words used against persons and parties are dealt with if necessary by the law of Defamation and it is only where the House as a whole is affected by the spoken word, that to my mind a question of privilege arises. In this case it seems to me that these offensive epithets are selective in their application. Therefore of the words complained of I could not really find a *prima facie* case of breach of privilege." (H.C. Debs. 1953—56, 529 CC 35-36).

11. That Shri Bosu called a Press conference after my interview appeared in the Press, renewed his attack on Air-India and made false allegations against Tatas and myself is demonstrable proof that my comments did not obstruct in any way the Hon'ble Member from frankly expressing his own views. I submit that it would not detract from the honour and dignity of Parliament (or its Committees) if a citizen like myself were also permitted to express my views.

12. From the extracts I have quoted above from the Select Committee Report of the British Parliament and the references I have made to statements made by the Committee of Privileges to the House of Commons. it would seem clear that only such words or acts which obstruct or impede or have a tendency to obstruct or impede either the House or individual members of a House in exercise of their constitutional functions attract the penal jurisdiction of

Houses of Parliament. I respectfully submit therefore that my remarks were not in breach of any privileges or immunities of the Indian Parliament any more than they would have been if made in Britain.

13. As our present Lok Sabha membership and Government have re-established freedom of expression in our country, I trust I may be permitted, as a citizen who has devoted more than fifty years of his life to serving the nation as best he could and who is immensely proud of its democratic institutions, to submit that the only public respect worth having is the one that is earned by words and deeds. "The path of criticism is a public way." It is open as much to the people as to their elected representatives. Entry into this public way should not be barred nor punished so long as the citizen does not obstruct the House or its Members in their great and important task of governing the nation.

14. Whilst sincerely regretting some words or phrases, prompted by my indignation at Shri Bosu's report and the language in which it was couched, and which I used, so to speak, in the heat of the moment, I maintain that it was never my intention to attribute motives to the Committee or its Hon'ble Members. I must at the same time maintain, respectfully but firmly, my right to criticise Shri Bosu's report and the substance of my criticism of the report. In fact, as one who had founded and led the airline for forty-six years, of which the last twenty-five years were in the service of the public sector, I felt it was my bounden duty to rebut what I thought and still consider his uncalled for and widely publicised condemnation of Air-India and its staff. This I did in the public interest and in order to repair the serious damage caused to the prestige and reputation both in India and abroad of this great public sector organisation. In his interview with Blitz (26-5-1979). Shri Bosu has said: "I tell you one thing, that I have been guided by no other consideration but the country's overall welfare." I would like to assure you, Mr. Speaker, that in my remarks and comments I have been guided by no different consideration.

15. In conclusion, while deeply regretting any inconvenience and trouble that I may have caused to you and reiterating my deep respect for the great institution of Parliament and its Committees, I respectfully urge that the motion be not admitted against me and be dropped.

Your faithfully,  
Sd/-  
(J. R. D. TATA)

## **ANNEXURE A**

to

### **APPENDIX III**

(See para 2 of Appendix III)

**Text of Mr. J. R. D. Tata's interview with PTI and the  
SUNDAY STANDARD, Bombay**

(Published 29th May 1979)

23rd May 1979

**Q. 1. Mr. Tata, when you laid down office as Chairman of Air-India last year, you had headed the organisation for 46 years. The report of the Public Undertakings Committee on Air-India recently presented to Parliament is severely critical of many aspects of Air-India's operations. You were in overall charge of the Corporation for 25 years upto February last year, and the Committee's criticism therefore covers events which happened in your time of stewardship. Your general reaction to the report and also your views on some of the more important specific points raised would be appreciated.**

**A. I was myself one of the last witnesses summoned to give evidence before the Committee and to express views on a number of points about which the report is specially critical. My general reaction to the report is one of astonishment and sorrow. Astonishment at this uncalled for attack on the most prestigious and successful public sector enterprise in the country and at the extent of the ignorance displayed of the economic and administrative realities; sorrow at seeing so important a part of the machinery of Parliament misused, as it seems to have been in this case, to subserve personal opinions or creeds.**

**Throughout the Committee's exhaustive and exhausting inquiry, spread over three months, detailed explanations and reasons or action taken were given to the Committee by Air-India in answer to every question and criticism of the Committee, and every effort made to educate the Committee on the special character and features of this most fiercely competitive of all international industries. From the report of the Committee which I have carefully read and the talks I have had with some of those who were summoned to give evidence, it is abundantly clear that Mr. Jyotirmoy Bosu, Chairman of the**

Committee, had made up his mind in advance to write an adverse report. Further more, the manner in which the proceedings were conducted, virtually by the Chairman alone in the almost total absence of the other members and therefore without the prescribed quorum, as an inquisition rather than an inquiry, was highly objectionable and unworthy of the great Parliamentary body on behalf of which the inquiry was held. Many of the officers of the airline summoned to give evidence were subjected to bullying, baseless accusations and even to threats. These tactics, and the grossly prejudiced and unfair report have caused tremendous damage to the previously high morale of the airline which has now sunk to a low ebb. The whole organisation in India and thirtyfour countries abroad was stood on its head for a period of three months. All normal productive work virtually ceased and thousands of hours of time and over-time were unnecessarily spent on gathering and furnishing a mass of unbelievably detailed facts, figures and statistics at enormous cost in cables, telex and telephone charges. Senior officials of Air-India had repeatedly to be called and recalled from Indian and overseas offices to supply information or to appear before the Committee. As an example of the lack of consideration shown by the Committee, Air-India's Regional Director for the USA & Canada, was not heard when he appeared and was made to return after a week, involving 32,000 miles of wasteful and exhausting travel.

As the unfair tactics adopted by the Chairman of the Committee, virtually the only speaker throughout the inquiry, towards the officers summoned to give evidence, are naturally not revealed in the report itself, I would strongly recommend to the Lok Sabha authorities that verbatim records of the inquiry should be made public, against payment if necessary, so that Parliament, the Press and other interested parties may see for themselves the manner in which the inquiry was conducted. This would at least ensure more objective, considerate and fairer treatment in future similar investigations.

**Q. 2.** The Committee said it was shocked to observe that the bilateral agreements entered into by Government with foreign countries and international commercial agreements settled by Air-India with foreign airlines heavily weighed against national interest, granting undue concessions to foreign airlines. What have you to say about this?

**A.** Anyone with even an elementary knowledge of the working of the international air transport system would appreciate how baseless this charge is. The Committee could naturally not be familiar



with this system of bilateral treaties and the exchange of traffic rights negotiated between governments and imposed on the national airlines concerned, but it certainly was after the facts were clearly explained by Government and Air-India officials in the course of the investigation. These, however, were brushed aside, as they were on most other issues.

The fact that Air-India carried 43 per cent of the total traffic into and out of India or that British Airways, Lufthansa, Air France and Alitalia amongst others operated more services into and out of the United Kingdom, West Germany, France and Italy has been used by the Committee to prove that Indian interests had been betrayed possibly for the benefit of corrupt officials. The contrary would be obvious on any honest assessment of the matter. With 36 foreign airlines operating to or through India serving countries throughout the world with an aggregate fleet of many hundreds of aircraft, Air-India's performance in securing 43 per cent of the total traffic with 15 aircraft serving only 34 countries was, in fact, a remarkable achievement which deserved high praise instead of the condemnation meted out to it. The Committee's complaint that, for dark reasons, foreign airlines were allowed to operate more services to India than Air-India did in foreign countries makes no sense, for the Committee must or should have known that the traffic rights in bilateral treaties are granted on the basis of estimated traffic demand and not on the capacity of the national carrier to meet its full share of such demand. If Air-India did not for the time being operate all the services or provide all the capacity to other countries allowed to it under bilateral treaties, it was simply because of the current limitation of its fully utilised fleet pending further increases to it which have since been approved by Government. In the circumstances, the Committee's objective of total balance in traffic carried could only have been attained by limiting the operations of all foreign carriers, thus depriving the country of a good part of the available flow of foreign tourists and foreign exchange. A strange recommendation indeed from a Committee purporting to be the watch dog of India's interests.

As regards the four foreign airlines mentioned, the fact that despite a smaller number of services Air-India earned more revenue from traffic to and from their countries than they did, is clear proof that these airlines were not favoured at the expense of Air-India and the country as alleged by the Committee.

**Q. 3.** Air-India has also been accused of ignoring socialist countries. What have you to say about this?

A. I can well understand, and even sympathise with the desire of a good communist like Mr. Jyotirmoy Bosu, that Air-India should operate more services to communist countries. That, however, he should so recommend knowing that it would result in serious financial loss makes one wonder whose national interests are sought to be served thereby.

Q. 4. One of the charges made with regard to the operations both of Air-India and foreign airlines to and through Indian airports is that Calcutta and Madras have been continuously ignored, and some of the airlines operating to Calcutta have been allowed to shift to Delhi/Bombay and they will thus reap rich benefits by operating to airports of their choice regardless of the country's interest.

A. It is certainly a matter for regret that the Calcutta and Madras airports are so little used by international airlines, including Air-India, but as the Committee must have learned from its in-depth study there is nothing commercially more disastrous for an airline than to fly empty planes, and as the aircraft used on long range international services are the largest and most costly to operate it is natural that the Airlines using them will serve mainly cities where people want to go. It is a fact of life today that Bombay, for commercial reasons, and Delhi, as the air traffic hub of North India, for touristic reasons, attract the vast majority of the international travelling public visiting India. If practically all the airlines of the world have abandoned Calcutta, it is simply because very few travellers want to go there. The Chairman of the Committee should surely know the causes of this commercial and tourist near-boycott of that unfortunate city and what should be done to make Calcutta and Bengal once again attractive to tourists and visitors. In the meantime, should Air-India and foreign airlines be compelled to land and take off empty planes to please him and satisfy his regional ego?

Q. 5. The Committee find that the average yield per RTK<sub>m</sub> achieved by Air-India was very low compared to foreign airlines and are critical of the fact that operations of Air-India are large measure on low yield routes where promotional fares have been established?

A. Here again, all the evidence tendered to disprove this charge is brushed aside or disregarded. Air-India's lower average yield (RTK<sub>m</sub>) simply means that a major proportion of its carriage is of traffic travelling on low promotional fares. This however is not significant by itself; what is significant is the result. The fact that Air-India, in relation to the size of its operations makes a higher profit than almost all its competitors, shows that it is commercially

right in preferring higher total revenues from a larger number of low fare passengers than lower revenues from a smaller number of high fare passengers. Apart from which it is surprising to find the Committee criticising the national airline of a poor country for concentrating on low fares benefiting the less affluent.

Furthermore, the fact that a very large proportion of the total operations of European carriers is within Europe, where the fares are twice as high as in most other areas of the world, has been deliberately or conveniently ignored by the Committee, even though the same had been pointed out by Air-India to them.

**Q. 6.** The Committee are critical of the fact that expenditure on staff in the Commercial Department of Air-India is as high as 50 per cent of the total staff cost whereas in most of the other airlines it is less than 25 per cent.

**A.** Here again, the Committee displays its prejudice by disregarding the explanations given to it on the subject. I myself took some pains in pointing out to the Committee the obvious fact that with the bulk of Air-India's staff abroad necessarily being Commercial Department staff, and with staff costs in foreign countries, whether Indian or foreign being very much higher than in India it is inevitable that the ratio of Commercial Department staff cost to total staff costs should be higher than in other airlines in which home and foreign levels of wages are more or less the same. What is important and significant to note is that Air-India spends only about 15 per cent of its total operating expenses on wages as against over 30 per cent in most other airlines.

**Q. 7.** The Report states: "Air-India executives living like Maharajas at the cost of the poor millions in the country... These neo-princes are fattening themselves with Air-India's money in complete disregard of the norms laid down by the Government."

**A.** The three main criticisms of the Committee refer to House rent, use of cars and entertainment expenses, in regard to all of which the Committee, in its anxiety to find fault irrespective of facts and evidence, has brushed aside the perfectly valid facts/explanations furnished to it. Take, for instance, the accusation that the expenditure on rents of officers sanctioned in Bombay exceeded the guidelines of the Bureau of Public Enterprises that rent subsidies should not exceed 40 per cent of the basic salary of an officer. 40 per cent of the basic salary of a fairly senior officer of Air-India would be Rs. 800 per month. Anyone familiar with Bombay rents would know that a 120 square metre flat nowadays fetches a rent of as

much as Rs. 5000 per month in South Bombay, and around Rs. 2,500 in the suburbs and Air-India employees would therefore have to live on a minus income if this guideline was respected. The BPE's guidelines are nothing more than guidelines, and the Board of Directors who have to deal with facts and not with mere theoretical norms which have long since become obsolete, were clearly right in sanctioning payments in excess of the amount laid down in the guidelines.

The provision of cars by the Corporation for the use of senior officials is wholly in keeping with normal practice throughout the airline industry and is fully justified, particularly at foreign stations where, apart from the substantial mileage to be covered by commercial staff in the course of their normal duties, a regular stream of commercial, Government and other visiting VIPs have to be met and looked after.

As regards entertainment expenses, while the figures quoted in the Report seem high in themselves, they are not in the circumstances prevailing throughout the world in this ferociously competitive business of international air transport. Minor abuses may have occasionally occurred, human nature being what it is, but in my view the expenditure of Rs. 3½ lakhs in one year on entertainment by 41 executives based in India mentioned as lavish by the Committee is quite reasonable and even insignificant in relation to Air-India's traffic revenues of about Rs. 365 crores a year, or Rs. 1 crore per day.

The cheap gibe of the Committee that "Air-India executive have been living like Maharajas at the cost of the poor millions of the country", and that "these neo-princes are fattening themselves with Air-India's money in complete disregard of the norms laid down by Government", is outrageous, to put it, mildly, and unworthy of a Committee of Parliament. Apart from being wholly incorrect it is grossly unfair to a fine and dedicated team of executives including many non-Indians of whose enthusiasm and devotion to the Airline I have had abundant proof over my many years of stewardship as Chairman. It also provides its own sad evidence of how far or should I say how low, some elected representatives of the people are prepared to go to satisfy political or ideological ends, irrespective of the harm and loss of prestige thereby caused not only to those so unfairly attacked but also to the public sector as a whole.

I sincerely hope that, recognising the unsound and unfair character of the Report, Government will disregard both its unsubstantiated accusations and its ill-conceived recommendations which, if adopted, would destroy what is left of the morale of Air-India's organisation and ultimately lead to the end of the Corporation's progress and profitability. In this perverse report can be found the principal causes of the relatively poor performance and abysmally low morale of mass public sector enterprises in the country, for it exemplifies the excessive supervision and control over their day-to-day operations sought to be exercised by Parliament, which itself has led to a correspondingly excessive supervision by Ministers and the bureaucracy. The final consequence is that only too often public sector management, mistrusted and deprived of all authority and initiative seeks protection and safety in avoiding taking decisions or in "passing the buck". I wish our Parliament and Government would study the very different conditions prevailing in other democratic countries where the Boards and management of public sector enterprises are trusted, enjoy confidence and a high degree of autonomy, and show results equal to the best in the private sector.

Sd/-

(J. R. D. Tata)

23-9-79.

## **ANNEXURE B TO APPENDIX III**

(See para 5 of Appendix III)

**BLITZ**

MAY 26, 1979.

Bosu  
tells

Blitz... **ABOLISH THE MAHARAJAH SYNDROME**

Exclusive interview by A. Raghavan & Joga Rao

NEW DELHI: JYOTIRMOY BOSU, the veteran parliamentarian is sure that Air-India would not go to blazes if his recommendations to scale down the "perks" of its top executives are accepted by the Government.

Bosu, who has just vacated the Chairmanship of the well-publicised Public Undertakings Committee of Parliament, was talking to BLITZ on the controversial 42nd Report, which had made a case study of Air-India perquisites.

### **Play of Black Money**

He has disclosed evidence of the play of black money in the Public Sector, too, which has so far been the exclusive privilege of the Private Sector.

In this connection, he cites the case of "paper rights" piling up with Air-India in its bilateral agreements with foreign airlines. Concessions to foreign carriers, whose business in India is going up with no corresponding benefit to Air-India, he says, is not for love. So the matter has been tossed over to the Vigilance Commission.

Bosu sees a lot of attraction in extended stays abroad and also in crew scheduling since some officials had stayed abroad more or less their entire service with Air-India. He asks whether it was proper for the Deputy Managing Director to accept the hospitality of a gentleman in London who has business with the airline.

### **Secret Report to Government**

Bosu exposes the fare structure of Air India as full of discrepancies and absurdities and suggests that the airlines "bring it down to the realistic stage. cost plus..." "Fares need not be dictated by somebody else." he adds, together with the recommendations that "Air-India should pull out from IATA".

**HE ALSO REVEALS THE FACT THAT ANOTHER SECRET REPORT HAS BEEN SENT TO THE GOVERNMENT, THE CONTENTS OF WHICH "I CANNOT DIVULGE. WHERE I HAVE EXPLAINED THESE THINGS MORE CLEARLY."**

Finally, Bosu wants the Government to take a firm step on the report and its implications "without getting cold feet or allowing itself to be blackmailed by somebody."

\* \* \* \*

Following is the full text of the controversial interview:

**Q.** You have opened up the magic box of perks in your report of the PUC! What do you feel about the reactions? More brickbats than bouquets, or vice-versa?

#### **Magic box of Perks**

**A.** I do not know if I have opened up any magic box. I thought the Government and the people should know what perquisites the executives of this particular undertaking—Air-India—are getting and whether they are in line with those enjoyed by executives of other undertakings and also the executives working in the Railways, Post and Telegraphs and the other government departments.

And the public reaction according to my reading, is that many people have, in fact, been taken aback that in this poor country of ours where the per capita income is the lowest in the world, we are creating a new set of very privileged people; and many persons, including MPs, have told me that they should be drastically cut down.

**Q.** How many witnesses from Air-India were examined?

**A.** We had the Chairman, the Managing Director, the Deputy Managing Director, the various departmental heads and also some of their regional managers and directors from abroad.

#### **Entire Service abroad**

**Q.** What justification did they offer?

**A.** According to my reading. I could not get convincing replies. The Committee was unanimous in its report.

**Q.** What about the witnesses from abroad?

**A.** We had not gone into their affairs. So we have communicated our assessment to the Minister in a letter which we did not want to publish.

**Q. But don't you think that this extended stay abroad by some senior executives, can, itself be termed as special perks?**

A. We have covered that also. Well, I could see there was a lot of attraction in extended stays and also in crew scheduling, and we have covered all that in our report. From the report, you will find some officials have stayed abroad more or less during their entire service with Air-India. In one case, it is 27 years out of 30 years of service. I have certainly a feeling that seeking favour of posting abroad at certain stations is certainly an attraction.

**Nobody is really indispensable**

Q. It is said that perquisites for Public Sector executives were introduced for preventing migration into the more lucrative Private Sector. What do you think will be the effect if they are slashed by the Bureau of Public Enterprises in accordance with your suggestion?

A. Well, I am one of those persons who believe that nobody is really indispensable. The country cannot do something which would look very unusual. We cannot afford it, because how can the undertaking, unless it makes enough money, lose on one hand and go on dishing out money to a handful of executives lavishly? Therefore, this is a matter which worries me.

Q. Now there is the Private Sector, all hailing them into their parlour so these people can migrate there.

A. Why do you think they will migrate there? Quite a few executives from the Private Sector have come to Public Sector undertakings!

**Out flow of talent?**

Q. That is only when more attractions are given?

A. Not necessarily. It need not be always financial attractions. In the Public Sector, there is a lot of job satisfaction and you are not compelled to do wrong things that you are sometimes required to do in the Private Sector undertakings.

Q. The elite is the same. Whether they work in the Public or Private Sector, they are birds of a feather?

A. In the Public Sector there is a lot of stagnation. If number one goes, Number Two immediately steps in. Now Appusamy is



retiring. Although Appusamy's retirement has nothing to do with our examination, and Air-India has selected a person who was the Chairman Managing Director of the International Airport Authority. So was there any difficulty in getting a man?

Even if you take these as inducements, what is the result that you get? In the Central Inland Water Transport Corporation they had lost, if I remember correctly, about Rs. 21 crores. What inducements do you want to give those executives who have produced nothing at all? After our examination the whole undertakings has been rejuvenated and new faces have come in. Now they are stuck up because they do not have vessels, which were sold by the previous regime. They have so much business that they cannot handle.

Similarly, as far as Air-India is concerned, I am absolutely positive that even if its executives leave because of bringing down the perquisites to standardised level, there will be not trouble at all.

### **Bribery and Corruption in both Sectors**

Q. True, the managerial remuneration payable by private firms has recently been reduced. But even then all of us know that the Private Sector generates a lot of black money which is shared by a coterie of tycoons and executives. This is not so with the public Sector. A steep reduction in their "perks" might trigger an outflow of talents into the Private Sector. Don't you think this will further damage the Public Sector in the existing bureaucratic set up?

A. In the Public Sector also, there is a lot of money. We have detected and charged in clear language the disposal of vessels by the Central Inland Water Transport Corporation. A vessel, whose replacement cost may be Rs. 17 or Rs. 18 lakhs, was sold for only Rs. 3 lakhs. Do you think there is any dearth of that sort of dubious money in the Public Sector.

Q. All these are black?

A. Of course, Bribes are always in black.

### **A—I's hanky-panky agreements**

Q. Will you give us more instances like this?

A. Take Air-India's bilateral agreements with foreign airlines. We have suggested the Vigilance Commission should probe into the matter. While Air-India had been holding the paper rights to fly in these countries in their pockets, some of the foreign airlines were, more or less, fully using their rights in this country. A lot of hanky-panky eh!

Am I to understand that these extraordinary concessions have been given for love! That is why I cannot say anything now. That is why we have referred the matter to the Vigilance Commission. They could not say anything. No satisfactory answer came from them although the Secretary of the Civil Aviation Ministry, Director-General of Civil Aviation and Air-India, all the three parties appeared before us.

Q. Any other Public Sector undertakings where this kind of malpractices have taken place?

A. Yes. The Central Fisheries Corporation was examined. It is seething in corruption from top to bottom.

Q. What is the modus operandi?

A. The modus operandi in sale and purchase, in manufacture, everywhere.

#### **Did Government share concessions?**

Q. Coming back to Air-India, you mentioned their concessions. But was not Government a party to that?

A. The concession was given by the Government. Air-India was a party to that. The Government said repeatedly that the Air-India's consideration was the prime consideration. Air-India, the Director General of Civil Aviation and the Government—these three, look after the interests of the Government of India. Whether there was a three cornered sharing or not, it is the job of the Vigilance Commission to find out.

Now take the case of a senior Air-India executive. He was hosted by one of the Five Star hotel owners. Firstly, we found it wrong because the hoteliers host airlines executives with the expectation of getting business from them. It should not have been done. And number two, he has charged TA and DA from the company at the same time.

Q. He was Sethi, if I am not mistaken, but he justified it. He said it was a normal practice.

A. Is it normal practice? Wonderful! Let the Government say so! What is the practice? I said: show us the rules! He could not produce them.

#### **Perks and private bearers**

Q. You have made a case study of the "perks" in Air-India and said its top executives have been living like Maharajas. The airlines

management says in a number of cases, the "perks" given to them exceeded only fractionally the amounts actually spent on housing and car. What do you say?

A. What about the other perks: club bills, personal entertainment, car expenditure? Have you ever heard that a private bearer is given to an Air-India executive? Money is given for the person who works at his residence, electricity charges, residential accommodation, furniture, etc.!

Q. But this practice of a private bearer is prevalent in other public sector undertakings also?

A. No! I have not come across any such instance. The company disburses Rs. 225 for paying a domestic assistant. What do you think about this gentleman Sethi accepting the hospitality of a gentleman in London who has business with Air-India? Is it fair on the part of the Deputy Managing Director to accept his hospitality? When I took up the chairmanship of the Public Undertakings Committee I prohibited acceptance of any invitations from the Public Sector Undertakings. The Committee did not accept any invitation for a meal, except of course, for tea, coffee or biscuits.

#### **If only I had 6 months more!**

Q. Do you think anything interesting may have been left out of the report?

A. I certainly agree with you. If I had another six months, I would have been able to produce a lot more. We have gone through certain very basic issues pertaining to the load factor, the directional imbalance in fares etc. If you travel by your own Indian national carrier, it charges Rs. 11,200 for a return ticket to and from London. But when you buy a ticket at London from Air-India you pay much less; what is the reason for this? They came out with all sorts of arguments, but we did not accept them. We have made very clear recommendation that this should be immediately done away with.

We have said that artificial copying of the fares that is excursion fares, tourists fares, group fares---are all not necessary. Have one fare based on the mileage. In Delhi, Calcutta, Madras, Bombay, everywhere, one finds non-IATA and even IATA airlines giving discounts to the tune of 40, 50 or 60 per cent. Why should we have this sort of fare structure? And I asked them: "Is it illegal?" The Government said: "yes, it is illegal". Have you been able to prosecute a single person? "No Sir," was their reply.

Q. How will you meet the competition?

A. YOU BRING DOWN THIS FARE TO THE REALISTIC STAGE, COST PLUS, THAT IS ALL. YOUR FARES NEED NOT BE DICTATED BY SOMEBODY ELSE. WE HAVE RECOMMENDED THAT AIR-INDIA PULL OUT FROM IATA.

### Secret report to Government

Q. The Air-India management also says competition in the airlines business is pretty stiff, necessitating the provision of high entertainment allowance to some of its men. While giving evidence before your committee, did the Air-India Chairman say that it would be better to close down Air-India if the position you take was to be vindicated? And what was your reaction?

A. I have no reaction. I do not accept that position at all. This competitiveness has nothing to do with India-based officials having lavish entertainment allowance. One thing I may mention here is that certain communications have been sent to the Government, which are of secret nature and I cannot divulge, where I have explained these things more clearly.

Q. There is a joke in the corridors that you and Morarji Desai seem to be of the same view: Morarji is trying to destroy the airlines through Prohibition and you by slashing perks!

A. You mean I have become a bull in a China shop. I tell you one thing, that I have been guided by no other consideration but the country's overall welfare. We did not want to have a handful of privileged people. Many groups of employees of Air-India, including senior commanders, have come and congratulated us.

### Delhi must take firm action

Q. And so also the people in the middle rung?

A. Everybody, I am telling you, excepting a handful. Everyone in Air-India is happy and if you see the number of letters I am getting every day you will be surprised.

Q. So that is a very healthy reaction?

A. I am very happy that I have been able to produce this Report. The Government should take a firm stand. It should not get cold feet and should not allow itself to be blackmailed by anybody.

Q. What is the number of top executives who have been hit by this report?

A. In India, about 60. Two of the leaders have met me today. Well, I do not want to go outside the evidence, nor will I divulge the evidence. But if I go outside the evidence, I have got much more information, which I have not been able to verify and use.

Q. While examining these Public Sector undertakings, how do you find interlocking between the personnel in the Private Sector and the Public Sector?

A. There are interlockings galore. Many are in both sectors.

## APPENDIX IV

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(See para 12 of the Report)

*Copy of Note submitted by the Chairman, Committee on  
Public Undertakings to the Speaker*

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The Committee have considered the following four notices of question of privilege which were referred to them by the Honourable Speaker for the views of the Committee:—

- (i) Notice of question of privilege dated 31-5-1979 by Shri Mohd. Shafi Qureshi, M.P. regarding certain remarks made by Shri J.R.D. Tata, former Chairman of Air India, in a Press interview given to the PTI on 28-5-1979 re: functioning of Public Undertakings Committee of Parliament.
- (ii) Notice of question of privilege dated 5-6-79 by Shri Jyotirmoy Bosu, M.P. against Shri J.R.D. Tata for making certain derogatory remarks against the Chairman and members of Committee on Public Undertakings in a Press statement issued by him.
- (iii) Notice of question of privilege dated 7-6-1979 by Shri Vayalar Ravi, M.P. against Shri J.R.D. Tata, former Chairman of Air India for casting aspersions on the Chairman and Members of the Committee on Public Undertakings.
- (iv) Notice of question of privilege dated 6-6-1979 by Shri Vayalar Ravi, M.P. against the Editor, Printer and Publisher of *India Today* and its Correspondents, Sarvashri Dilip Bobb and Asoka Raina for publishing in its issue of 16th May, 1979, a malicious report to malign the Committee on Public Undertakings and Parliament.

2. The first three notices arise out of comments reported to have been made by Shri J.R.D. Tata against the Committee on Public Undertakings in respect of their forty-second, fifty-second and fifty-third Reports presented to the Lok Sabha on the 23rd and 30th April, 1979.

3. The fourth notice arises out of the comments made in an article published in the *India Today* dated May 16—31, 1979 under the caption "Air-India under fire".

4. In regard to the first three notices against Shri J.R.D. Tata, the factual position is as follows:—

(i) *Comments made by Shri J.R.D. Tata*

"I was sorry at seeing so important a part of the machinery of Parliament misused as it seems to have been in this case, to subserve personal opinions or creeds." Even though every effort was made to educate the Committee on the special character and features of this 'most fiercely competitive of all international industries', it was abundantly clear to him that Mr. Jyotirmoy Bosu, Chairman of Committee had 'made up his mind in advance to write an adverse Report.'

*Factual position*

The draft reports were circulated to the Committee on 19-4-79 and 27-4-79 and considered and adopted by the Committee on 20-4-79 and 28-4-79. The draft reports were also got factually verified from Air-India/Ministry of Civil Aviation and only thereafter presented to Lok Sabha on 23-4-79 and 30-4-79. Once a report is adopted by the Committee after consideration, it becomes a report of the Committee as a whole and not of the Chairman or any member as such.

(ii) *Comments made by Shri J.R.D. Tata*

The manner in which the proceedings were conducted virtually by the Chairman alone in the total absence of other Members and therefore without the prescribed quorum, was an 'inquisition rather than an inquiry'. "This was highly objectionable and unworthy of the great parliamentary body on behalf of which the inquiry was held."

*Factual position*

The number of Members present at the time of evidence was taken and draft reports adopted is indicated below:

Date	Members Present
16-3-1979	7
17-3-1979 (Saturday)	1 (Chairman, COPU)
27-3-1979	6
28-3-1979	3
6-4-1979	5
7-4-1979	6
18-4-1979	2
20-4-1979	9 Adoption of
28-4-1979	9 42nd; 52nd and 53rd Reports.

It would be seen therefrom that at the time of consideration and adoption of the Reports there was proper quorum to constitute the sitting of the Committee. (In terms of Rule 259 of the Rules of Procedure and Conduct of Business in Lok Sabha the quorum to constitute a sitting of the Committee is 8. Quorum is not insisted upon, as per past practice, at the time evidence of witnesses is taken, but it is essential to have quorum in the Committee at the time of deliberations and adoption of a draft report.)

*(iii) Comments made by Shri J. R. D. Tata*

“Many of the Officers of the Airlines summoned to give evidence were subjected to bullying, baseless accusations and even to threats. All normal productive work virtually ceased and thousands of hours of time and overtime of the personnel of the airlines were unnecessarily spent on gathering and furnishing a mass of unbelievably detailed facts, figures and statistics and enormous cost in cables, telex and telephone charges.”

*Factual position*

Shri Tata's charge in the opening sentence is without basis. According to Rule 270 of the Rules of Procedure, the Committee have power to send for persons, papers and records. Only that information and papers were called



for from Air India which were considered necessary in connection with the examination of various aspects of the working of the Corporation.

(iv) *Comments made by Shri J. R. D. Tata*

"It also provides its own sad evidence of how far, or should I say how low, some elected representatives of the people are prepared to go to satisfy political or ideological ends, irrespective of the harm and loss of prestige thereby caused not only to those so unfairly attacked but also to the public sector as a whole".

*Factual position*

It is the tradition of the Committee to judge all issues on merits, irrespective of the party affiliations of the Members.

(v) *Comments made by Shri J. R. D. Tata*

Mr. Tata sincerely hoped that recognising "the unsound and unfair character of the report, Government will disregard both its unsubstantiated accusations and its ill-conceived recommendations which, if adopted, would destroy what is left of the morale of Air India's organisation and ultimately lead to the end of the Corporation's progress and profitability."

*Factual position*

The reports are based on the evidence taken by the committee and the draft reports were adopted after due deliberations by the Committee. It is normally expected that the recommendations of the Committee would receive earnest consideration of Government for implementation.

5. In regard to the notice against *India Today*, the factual position is as follows:—

*Comments published in 'India Today'*

"According to one of the airline's officials who attended the in-camera sessions held by the Committee, the average attendance of the 22 members Committee was about four, with 99 per cent of the questions being asked by the Chairman, Jyotirmoy Bosu. According to more than one official questioned, Bosu's attitude was generally hostile

and the inquiry commission was more in the nature of an inquisition, with an all-pervasive atmosphere of fear....

His obsession to under-play Air India's achievements is fairly evident in the way the entire report is worded."

*Factual position*

The number of Members present at the time evidence was taken and draft reports adopted is indicated below:—

Date	Members present
16-3-1979	7
17-3-1979 (Saturday)	1 (Chairman, COPU)
27-3-1979	6
28-3-1979	3
6-4-1979	5
7-4-1979	6
18-4-1979	2
20-4-1979 (adoption of 42nd Report)	9
28-4-1979 (adoption of 52nd & 53rd Reports)	8

As regards remarks about the attitude of the Chairman, the same are uncalled for, because it is the Committee as a whole which took evidence. The reference to "obsession of the Chairman to underplay Air India's achievements" is also uncalled for as the draft Reports were duly circulated to the Members of the Committee in advance and were considered and adopted by them at their sittings held on the 20th April and 28th April, 1979. Once a report is adopted and presented, it becomes the Report of the Committee and not of the Chairman or any Member.

6. It will be seen from the above that the observations made by Shri J. R. D. Tata in the statement published widely in the Press on 29th May, 1979, in regard to the functioning of the Committee on Public Undertakings (1978-79) and the then Chairman of the Committee appear to be uncalled for.

The Committee also feel that the Article published in "India Today" contains unwarranted comments, some of which appear to be defamatory in nature.

7. As the aforementioned statement of Shri J. R. D. Tata and the contents of the Article published in 'India Today' reflect on the character of the Committee and tend to diminish the respect due to it, the notices deserve to be gone into as a matter of privilege.

## APPENDIX V

(See para 15 of the Report)

Copy of letter, dt. 1-2-1980 received from Shri J. R. D. Tata  
BOMBAY HOUSE,  
FORT, BOMBAY-400023.  
1st February, 1980.

The Hon'ble Speaker,  
Lok Sabha,  
NEW DELHI.

Mr. Speaker, Sir,

*Subject: Notices of Privilege against me*

I have learned with concern and some surprise that the charge of alleged contempt of Parliament in respect of which notices of privilege against me were served on me in June 1979 in regard to a Press interview I had given in May 1979 on a report of the Committee on Public Undertakings on the workings of Air-India has been reviewed against me by a Member of the present Lok Sabha and is under the consideration of Parliament.

On the 3rd July 1979 I wrote a letter to the Hon'ble Speaker of the previous Lok Sabha, fully explaining my stand in the matter, and for the reasons stated therein I pleaded that the motion against me be dropped. I beg to enclose a copy of that letter\* and, in order to avoid delay in case the matter comes up during the present initial session of Parliament, I have arranged for a separate copy to be delivered to the Secretary of the Lok Sabha for submission to you.

I have been advised by eminent counsel that the Parliament of which I was alleged to have been in contempt having been dissolved, the newly elected Parliament cannot proceed with such charge of contempt. In other words, each Parliament can take proceedings in respect of a breach alleged to be committed of its own privileges and not of any earlier Parliament whose life has come to an end. In fact, our present Prime Minister, Mrs. Indira Gandhi, took up this very point in the contempt proceedings which were taken against her by the last Parliament.

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\*See Appendix III.

I hope, therefore, that on the above ground alone the renewed motion against me will not be admitted by you. But even if there is a doubt in your mind about that aspect of the matter, I respectfully urge that on merit and in the light of the contents of my letter of the 3rd July 1979 you will be satisfied that I was not guilty of contempt of the previous Parliament and that you will decide not to admit the motion against me in the present Parliament.

With respectful regards,

Yours faithfully,

Sd/-

(J. R. D. TATA)