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Title: Demand to set up a Joint Parliamentary Committee to enquire into the various allegations levelled by Shri Mohan Guruswamy, former consultant to the Finance Minister.

MR. SPEAKER: Now, the House will take up 'Zero Hour'.

SHRI P. SHIV SHANKER (TENALI): Sir, I rise to raise an issue which, if not satisfactorily resolved, clouds the reputation of the Government and the country in the comity of nations.

Sir, the Advisor to the Finance Minister is said to have been sacked on the 3rd February while he insisted that he resigned on the 27th January.

The reasons for his sacking or his resignation remain shrouded in mystery till date. His allegations and charges obviously are serious which have been published in various magazines and newspapers. He was privy to quite a bit of decisions on policies, programmes and the Government decisions.

For the first time, he revealed the reasons which were published recently in various magazines and newspapers like The Asian Age, The Indian Express and so on and so forth. He virtually accused the Prime Minister of running a vicious cabal and touting for the Hindujas. He has gone to the extent of accusing Shri Advani of lobbying for ESSAR. He has gone on record to say that Shri Pramod Mahajan was siding with Mittals. He has further alleged that the Finance Minister was lacking the backbone and involving himself in murky affairs. He has even dragged certain officials in the Prime Minister's office and the relations of the Prime Minister and made severe accusations on their conduct.

In the case of much publicised bailout meeting with the financial institutions in the room of the Finance Minister, this gentleman alleged that ESSAR chief, Shashi Ruia was summoned there. He was sitting and Shri Sinha was calling the shots.

He has also gone on record to say that a high base price was fixed below which steel imports were not to be allowed freely to bail out the steel industry. This was higher than agreed to at the inter-Ministerial meeting held earlier. Involving in his accusations, perhaps the Finance Ministry, the Commerce Ministry and the Steel Ministry along with the respective Ministers -- according to the users, it was a total giveaway of Rs.5,000 crore.

The Indian Express goes on record to write that when they contacted the Finance Minister and the Steel Minister, none of them wished to comment despite repeated calls. The spokesman of the Commerce Ministry seems to have said in reply to the queries by the authorities of the newspaper that they went by the recommendations of the Steel Ministry.

Sir, certain UTI share holdings in the ITC were to be sold to the British-American Tobacco Company, what is called otherwise BAT. The price offered by BAT was Rs.800 per share and this Advisor was said to have suggested that the shares should be sold at the rate of Rs.2,500 per share, on which basis when he submitted the note to the Finance Minister, the Finance Minister was said to have called him to discuss the affair.

Later on again he was called when he met the Chief of the UTI and discussed with him. In spite of that, when the Finance Minister called him to discuss the matter, he seems to have spoken to him that there are very big people involved in the affair; it is not possible to sell it at such a high price and he seems to have asked him to keep aside the note.

This Advisor goes on record to say that on that evening itself he received an offer for being silent on the issue.

Now, Sir, apart from that, this officer goes on record to say that a sum of Rs.300 crore ...(Interruptions)

MAJOR GENERAL BHUVAN CHANDRA KHANDURI, AVSM (GARHWAL): Mr. Speaker, Sir, there are many Members who would like to raise their issues. ...(Interruptions)

श्री चन्द्रमणि त्रिपाठी (रीवा): अध्यक्ष महोदय, हम लोग भी अपने विषय उठाना चाहते हैं

... (व्यवधान)

श्री अजीत जोगी (रायगढ़): ५००० करोड़ रुपए का घोटाला है, उसको नहीं सुनना चाहते

... (व्यवधान)

SHRI P. SHIV SHANKER : Sir, I will finish it quickly.I do not take much time. ...(Interruptions)

MR. SPEAKER: Today we have 30 names in the list.

... (Interruptions)

SHRI P. SHIV SHANKER : Sir, I will take hardly half-a-minute, if I am not interrupted.

Sir, this officer has gone on record to say that a sum of Rs. 300 crore import duty was sought to be given to Ruia on steel imports.

What I submit is that the reasons furnished by the Advisor open a can of worms, that raise questions about the integrity of the Government, its Ministers and officials. In view of this, I submit that it would be in the interests of probity and national character that a Joint Parliamentary Committee be appointed so that the matter is on gone into threadbare; the truth comes out and the people know what is the working of this Government.

... (Interruptions)

SHRI BASU DEB ACHARIA (BANKURA): Sir, the allegation is of such a serious nature ...(Interruptions)

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): Mr. Speaker, Sir, I am ready to respond. ...

(Interruptions) I am prepared to respond. ... (Interruptions)

MR. SPEAKER: Let the Finance Minister reply first.

... (Interruptions)

MR. SPEAKER: Shri Basu Deb Acharia, please sit down. Let the Finance Minister reply first. After that I will allow you.

... (Interruptions)

MR. SPEAKER: Shri Basu Deb Acharia, please observe the rules in the House. Please take your seat.

... (Interruptions)

SHRI BASU DEB ACHARIA : Let the Finance Minister hear us first and then he can respond. ... (Interruptions)

MR. SPEAKER: Shri Basu Deb Acharia, this is not good. When the Speaker is on his legs, please take your seat. Let the Finance Minister first clarify. Now, the Minister.

... (Interruptions)

SHRI BASU DEB ACHARIA : He should hear us first. ... (Interruptions)

MR. SPEAKER: Please try to understand that the hon. Member, Shri Shiv Shanker, who is the Deputy Leader of Congress Party in the House has well represented the matter. Let the Finance Minister reply first. After that, I will allow you.

... (Interruptions)

SHRI BASU DEB ACHARIA: Sir, after hearing us, he should respond. ... (Interruptions)

MR. SPEAKER: Nothing will go on record except what the Finance Minister says.

(Interruptions)*

... (Interruptions)

MR. SPEAKER: Now, the Minister.

... (Interruptions)

MR. SPEAKER: I will call you later.

... (Interruptions)

MR. SPEAKER: I have called the Minister.

... (Interruptions)

MR. SPEAKER: I have called the Minister. You can speak later please.

... (Interruptions)

MR. SPEAKER: Let the Minister speak please.

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): Mr. Speaker, Sir, it is entirely up to you to decide how you want to deal with the issue which has been raised by hon. Member, Shri Shiv Shanker.

SHRI BASU DEB ACHARIA (BANKURA): You should hear us first.

श्री रघुवंश प्रसाद सिंह (वैशाली): अध्यक्ष जी, हम लोगों की बात पहले सुनिए। ...

... (Interruptions)

MR. SPEAKER: Shri Raghuvansh Prasad Singh, please sit down.

SHRI YASHWANT SINHA: Mr. Speaker, Sir, I was saying it is entirely up to you to decide how you want to respond and how you want to treat the issue which has been raised by the hon. Member, Shri Shiv Shanker.

(Interruptions)

PROF. P.J. KURIEN (MAVELIKARA): You are not allowing us.... (Interruptions)

MR. SPEAKER: After the Minister's reply, I will allow the Members.

SHRI YASHWANT SINHA: But I was listening very carefully to what Shri Shiv Shanker had to say. Shri Shiv Shanker has paraphrased various points which my former consultant, Shri Mohan Guruswamy, had written or said through various media - visual and print. And, because this matter has today been raised in this House by a very senior and distinguished Member, hon. Shri Shiv Shanker, I thought in all fairness, I should respond to these issues and let the House know what I feel about the matter. I will plead with the House, you listen to me for a while and then I am in your hands. I will be prepared to respond in any manner you want. I am prepared to listen to any number of Members on this issue. If you want to have a debate, I am prepared to have a debate because, as I said, I have nothing to hide.

... (Interruptions)

MR. SPEAKER: Shri Ajit Jogi, let him complete.

SHRI YASHWANT SINHA: Mr. Speaker, Sir, Shri Shiv Shanker referred to Shri Guruswamy as an officer of the Ministry. He was not an officer of the Ministry. He did not belong to any structured cadre. He was appointed as consultant to the Finance Minister. Let me be very clear about that. He was a consultant to the Finance Minister in the Department of Expenditure. Now, I am responding to the points raised by Shri Shiv Shanker from what I recall because I have not come prepared to answer all the questions. But let me tell you this. Sir, the issues raised by Shri Guruswamy deserve to be dismissed with the contempt they deserve. How? I have today in this House answered a Question which was an Unstarred Question and that is why, it has not come to the notice of Shri Shiv Shanker and other hon. Members. It was exactly on the question of the BAT-ITC share transfer and the reply to the Question is that no proposal to this effect was received by the UTI from the British American Tobacco company and no steps whatsoever have been taken by the UTI to transfer the shares to BAT. This is on record because I have answered that Question in response to an Unstarred Question. (Interruptions) Now it is true.

I am coming to the point. I am responding to each one of the suggestions which have been made. This whole question of UTI wanting to transfer the shares to BAT, this whole question of UTI trying to bring in through the back-door the majority of BAT in the ITC is absolutely without any foundation. There was absolutely not even a smoke before the fire. There is no proposal. It is a figment of the imagination of my former Adviser.

(Interruptions)

SHRI AJIT JOGI : Is that your contention?

SHRI YASHWANT SINHA: It is my contention. It is because Shri Shiv Shanker is privy only to the one-sided version of Shri Mohan Guruswamy. And, it is my duty to put questions... (Interruptions) Shri Shiv Shanker, I listened to you patiently. Please bear with me for two minutes.

... (Interruptions)

MR. SPEAKER: Let him complete. Let the Minister complete his reply.

SHRI P. SHIV SHANKER : But you should not be a judge in your own cause. (Interruptions) You should not be a judge in your own cause.

... (Interruptions)

MR. SPEAKER: Let the Minister reply.

SHRI YASHWANT SINHA: Sir, I will most respectfully submit that when Shri Shiv Shanker was speaking, we did not disturb him.

We let him have his say. I am a Minister of the Government. It concerns my former Adviser or consultant and should I not be allowed to have my say in this House? If this is the mood of the House, then I will sit down; is a question of the floor prices of various steel products which have been fixed by the DGFT.

It is a question whether I have a backbone or not. According to Shri Mohan Guruswamy the only time my backbone was straight was when I was appointing him. Rest of the time my backbone was bent.

I will tell you one thing. I may tell you something which I have never said. I am saying this with great pain. They say that according to Shri Mohan Guruswamy, he is supposed to have put in his resignation and sent it to me on the 27th of January. On the 27th I was very much in Delhi, on the 28th of January I was very much in Delhi, and on the 29th of January I was very much in Delhi. On the night of 29th or the morning of 30th I went on a day's trip to Davos. I left on the 30th morning. All those days, the famous letter of resignation was not in my hands! It was not delivered to me.

On the morning of the 31st January Shri Mohan Guruswamy himself went abroad for the roadshow of the VSNL for which he had been accorded permission by the Government previously.

The simple question is, Shri Guruswamy is a man of great conscience, a man of great probity, a man of great integrity, and if Shri Mohan Guruswamy had put in or sent me his resignation letter on the 27th, why did he go abroad on official business on the 31st? That is a very important question. The point I am making is this:

(Interruptions) Let me speak. (Interruptions)

Referring to the can of worms about which Shri Shiv Shanker had talked, the ghutala about which Shri Ajit Jogi is talking about, I would say with all the emphasis at my command, on my behalf and on behalf of the Government that there is absolutely nothing in this except the frustration of a man who has been sacked.

... (व्यवधान)

श्री रघुवंश प्रसाद सिंह : 'सांच को आंच नहीं?' (व्यवधान)

आप जांच कराइये।

... (व्यवधान)

श्री यशवंत सिन्हा : सांच को आंच कुछ नहीं है।

... (व्यवधान)

रघुवंश जी, आप मेरी बात सुन लीजिए। मैं आज इस सदन में खड़े होकर पूरी जिम्मेदारी के साथ इस बात को कह रहा हूँ कि अगर मोहन गुरुस्वामी द्वारा लगाये गये चार्ज का एक अंश भी मेरे खिलाफ या सरकार के खिलाफ साबित होता है तो मैं तत्काल इस्तीफा दे दूंगा। ... (व्यवधान)

MR. SPEAKER: Shri Yerrannaaidu. Shri Lalu Prasad.

(Interruptions)

SHRI H.D. DEVEGOWDA (HASSAN): To the issue raised by the hon. Deputy Leader of the recognised Opposition Party, Shri Shiv Shanker, I would like to add some more points.

When you had allowed the hon. Finance Minister to intervene and reply to the points raised by him, I was very closely watching his reply. He totally denied all those allegations which appeared in the newspapers. We are unable to get the concerned records or documents from the Government files. We have to depend only on the reports printed in the magazines or in other media versions.

I would only ask one question. What is the floor price fixed so far as the steel is concerned?

According to him, the DGFT fixed the floor price at Rs. 245. At that time, in the market, the HR coil steel was available at Rs. 190 per metric tonne. Then, it was reversed to \$ 302 per metric tonne to help certain companies. Is it not a fact? He should place all the records on the Table of the House or allow a threadbare discussion in this House. I am not going to demand a JPC just now. Let there be a discussion first in this House. Let the Government also give a reply. Then, if the House feels that a JPC is required for the scam, then we can ask for it. He said that an amount of Rs. 5,000 crore was involved. I do not want to say anything just on the basis of

exaggerated reports. But I feel that in two or two and a half months an amount of nearly Rs. 1,000 crore was siphoned off. I do not know, what should I call it, whether I should call it a scam or some money has been siphoned off. This is a serious matter. I am not going to dispute the version of the hon. Minister. But let there be a threadbare discussion in this House. Please allot time for it. It is the public money. It is not anybody's private funds to be siphoned off. We will not allow this. Let there be a discussion. As the hon. Deputy Leader of the Congress Party has requested, time may kindly be allotted in consultation with the Leader of the House. Let there be a threadbare discussion. After that if the reply is not satisfactory and if the House wants, let there be a JPC inquiry on this issue.

SHRI YASHWANT SINHA: Since a very senior Member, a former Prime Minister, has raised this issue, I think, it is only proper on my part to respond to it. I did not want to mention it before this House, but Shri Devegowda had written a letter to me. He had brought it to my notice what he thought were certain goings on and I had immediately responded to him and put in perspective all that the Government had done.

My colleague, the hon. Minister of Steel and Mines is sitting next to me. It is a common knowledge that the Indian steel industry has gone through a lot of problems because of the crash of international prices of steel along with many other commodities. It is also a common knowledge that because steel prices crashed, we started importing into this country...(Interruptions). Let me make it very clear. I am prepared for a discussion. I am prepared to show the records to whosoever. I am prepared for any inquiry by anyone.

SHRI KAMAL NATH (CHHINDWARA): I have given a Motion under Rule 184. (Interruptions).

SHRI YASHWANT SINHA: Let me make it very clear that the issue that Shri Devegowda has raised does not hold any water because...(Interruptions). Let me have my say because a question has been raised. This is something that the whole world is listening. Should I not have my say? Should the media report tomorrow that Shri Devegowda said that thousands of crore of rupees have been siphoned off. He asked me a specific question and I must be permitted to respond to that. I must be permitted to respond to every question. I am not stopping a single Member. I am requesting the hon. Speaker that if he thinks that this is a serious enough subject, please fix the time for discussion because the Government has nothing to hide.

MR. SPEAKER: Since the Government has no objection, we will fix up the time for a discussion.

SHRI YASHWANT SINHA: As far as this issue raised by Shri Devegowda is concerned, the price was not fixed by the Minister, as Shri Mohan Guruswamy makes out. There was a meeting between the Minister of Steel and Mines and myself. We did not discuss this floor price. It was subsequently that the Ministry of Steel took up the matter with the Ministry of Commerce, with the Director-General of Foreign Trade within whose jurisdiction this matter lies and they have fixed the price. What does Shri Mohan Guruswamy say? Shri Mohan Guruswamy says that the Minister of Commerce, the Minister of Finance and the Minister of Steel and Mines should answer. We have not done anything to fix those prices. They have been fixed on the recommendation made by the Steel Ministry to Commerce Ministry. There is absolutely nothing to hide there.

Sir, I would like to say that you decide how you want to treat this. This reference has been made by Shri Shiv Shanker and joined in by Shri Devegowda. Looking at the way the House is responding to it, I would request you to decide how you want to take it. I would say on my behalf and on behalf of the Government that we are ready for anything.(Interruptions)

MR. SPEAKER: We will fix up the time for discussion in the Business Advisory Committee today.

.... (Interruptions)

SHRI KAMAL NATH : Sir, I want to make a submission.(Interruptions)

MR. SPEAKER: No. I am appealing to the Members that we have a meeting of the Business Advisory Committee at 2.30 p.m. today.

SHRI KAMAL NATH : Sir, that is all right. All I am saying is that you must decide a proper format. (Interruptions) He is responding for a floor discussion.(Interruptions)

PROF. P.J. KURIEN : Sir, you have established a convention that all those who have given notices should be allowed to supplement. That is the convention you have established. Why do you violate it now? That is your

own convention. You have established the convention that all those who have given notices should be allowed to have their say. Please allow others also to have their say. That is your own convention.(Interruptions)

MR. SPEAKER: Prof. Kurien, this is not anyone's convention. This is the convention of the House.

The Government has also agreed to discuss the matter. We will fix up the time for discussion in today's Business Advisory Committee meeting.

श्री लालू प्रसाद (मधेपुरा) :अध्यक्ष महोदय, शिवशंकर साहब इस हाउस के पुराने और सीनियर मैम्बर है। वह हल्की-फुल्की बात को नहीं उठा सकते।

... (व्यवधान)

SHRI KAMAL NATH : Sir, I wanted to speak.(Interruptions)

MR. SPEAKER: You can participate in the debate. There is no problem.

श्री लालू प्रसाद : आप इस मामले को अगर डिसकस कराएंगे तो छीटाकशी होगी।

MR. SPEAKER: Shri Lalu Prasad, you speak on the other issue. This issue is over.

श्री लालू प्रसाद : आप पूरे मामले को जे.पी.सी. में भेजिए। दूध का दूध और पानी का पानी हो जाएगा।

... (व्यवधान)

हम चाहते हैं कि इस मामले को जे.पी.सी. में भेजा जाए।

... (व्यवधान)

MR. SPEAKER: Shri Lalu Prasad, that is over. This is the second item.

SHRI CHANDRA SHEKHAR (BALLIA)(U.P.): Mr. Speaker Sir, once the Minister has agreed and also the Leader of Opposition has agreed for a discussion, no further debate on this issue is called for. I think, we should wait for the time when the discussion takes place.

SHRI H.D. DEVEGOWDA : I totally agree with Shri Chandra Shekhar. I have not said that the Finance Minister has fixed the rate. I only said that the rate fixed by(Interruptions)

MR. SPEAKER: We need not go into the details as we are going to discuss the matter.

... (Interruptions)

SHRI H.D. DEVEGOWDA : I do not want to make any baseless statement. What he said is that the recommendation was made by the Steel Ministry and accepted by the Commerce Ministry. This is what he has said.

MR. SPEAKER: Shri Devegowda, you can discuss all these things in the debate.

SHRI H.D. DEVEGOWDA : My only contention is that(Interruptions) by the Commerce Ministry.

MR. SPEAKER: Shri Devegowda, you can discuss all these things in the debate.

I now call Shri K. Yerrannaidu.

श्री रघुवंश प्रसाद सिंह : अध्यक्ष महोदय, यह एक गम्भीर मामला है। इस मामले की जे.पी.सी. से जांच करानी चाहिए।

... (व्यवधान)

MR. SPEAKER: When I called you, you raised another issue. I will allow you after Shri Yerrannaidu.

... (Interruptions)

MR. SPEAKER: I have called Shri K. Yerrannaidu.

... (Interruptions)

SHRI ABDUL HAMID (DHUBRI): Sir, I want to raise the matter of killings in Assam.(Interruptions)

MR. SPEAKER: I will give a chance to all of you.
... (Interruptions)