

place the feelings of the hon. Members before the Business Advisory Committee.

12.20 hrs.

ELECTIONS TO COMMITTEE

[*English*]

(i) **Agricultural and Processed Food Products Export Development Authority**

THE MINISTER OF COMMERCE (SHRI DINESH SINGH) : Sir, I beg to move :

"That in pursuance of sub-section (4) (d) of Section 4 of the Agricultural and Processed Food Products Export Development Authority Act, 1985, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Agricultural and Processed Food Products Export Development Authority, subject to the other provisions of the said Act."

MR. SPEAKER : The question is :

"That in pursuance of sub-section (4) (d) of Section 4 of the Agricultural and Processed Food Products Export Development Authority Act, 1985, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Agricultural and Processed Food Products Export Development Authority, subject to the other provisions of the said Act."

The motion was adopted.

(ii) **Tobacco Board**

THE MINISTER OF COMMERCE (SHRI DINESH SINGH) : On behalf of Shri P.R. Das Munsri, the Minister of State in the Ministry of Commerce, Sir, I beg to move :

"That in pursuance of sub-section (4) (b) of Section 4 of the Tobacco Board Act, 1975, read with rules 3 and

4 of the Tobacco Board Rules, 1976, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Tobacco Board, subject to the other provisions of the said Act and the Rules made thereunder."

MR. SPEAKER : The question is :

"That in pursuance of sub-section (4) (b) of Section 4 of the Tobacco Board Act, 1975, read with rules 3 and 4 of the Tobacco Board Rules, 1976, the members of this House do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Tobacco Board, subject to the other provisions of the said Act and the Rules made thereunder."

The motion was adopted.

12.22 hrs.

DISCUSSION UNDER RULE 193

[*English*]

Situation arising out of the recent Publication of certain Documents in a National Daily in regard to the alleged Payment of Commission in Connection with the Bofors Contract
—(Contd).

THE MINISTER OF DEFENCE (SHRI K.C. PANT) : Sir, I would like to thank all the hon. Members who have participated in this debate...(*Interruptions*) I am thanking them for the efforts that they have made and not for the effect they have created. But I would particularly like to thank Shri Sathe for his intervention. My friends Opposite interrupted him and made his intervention more effective. I think one of the ways to make our intervention particularly effective is not to interrupt.

PROF. MADHU DANDAVATE (Rajapur) : I want to ask the hon. Speaker one thing. You had promised yesterday that you will go into the records. Have you removed those unparliamentary words? (*Interruptions*)

MR. SPEAKER : Don't worry. That will be looked into.

(Interruptions)

DR. DATTA SAMANT (Bombay South Central) : Sir, he is again paying compliments. *(Interruptions)*

SHRI K.C. PANT : This is not the first time that I have had to reply to a debate on this subject. I don't find Shri Vishwanath Pratap Singh here. Ever since I took over from him in the Defence Ministry, one of my regular jobs seems to be to defend an action to which he was a party *(Interruptions)*. This is nothing but an irony of fate. *(Interruptions)*

SHRI AMAL DATTA (Diamond Harbour) : He was Defence Minister for one month.

SHRI K.C. PANT : He was Finance Minister for a much longer time. I will come to that. If you were also a party to it, I have no objection to it. But he certainly was. So, as Finance Minister, he was one of those who approved the purchase of the Bofors gun. I think he did well...*(Interruptions)* My only objection is that today he does not remember how well he has done this.

SHRI S. JAIPAL REDDY (Mahbubnagar) : 1057—

[Translation]

MR. SPEAKER : Why do you speak ? I could not follow what you have said.

[English]

I have to control the House.

(Interruptions)

MR. SPEAKER : There is no question of infringement of rules and nothing has happened which invites your intervention.

(Interruptions)

MR. SPEAKER : No. This is no infringement of rules. There is no question. I will not give you my permission.

(Interruptions)

MR. SPEAKER : No. Not allowed.

*(Interruptions)***

MR. SPEAKER : Not allowed. Please sit down. I have not allowed him to say a word. Whatever has been done is done. I have not given him permission.

*(Interruptions)***

MR. SPEAKER : Nothing is going on record. My ruling is ruling. That is all. Mr. Jaipal Reddy, will you please sit down ? I have not given you permission and I will not give you permission. Without rules, I will not.

SHRI K.C. PANT : I shall deal with the point of Shri Jaipal Reddy later. The essence of this debate which I have listened to very carefully...

MR. SPEAKER : Pant-ji, if you refer to this point, I have not allowed him. Anyway, if there is any other point, you can refer to it.

SHRI K.C. PANT : Very well, Sir. *(Interruptions)*

MR. SPEAKER : What I say is, without my permission, nothing forms part of the record.

(Interruptions)

MR. SPEAKER : I am talking of today. I am not talking of yesterday. I did not give him permission to speak now.

SHRI K.C. PANT : As I was saying, I have listened very carefully to all that my friends opposite had to say, and the only suggestion as far as I could understand was that there is a need for further inquiry into the material which has been published in the Hindu. This is the crux of the issue. I think that some concrete suggestions were also made about a second JPC and in one case about a Judicial Commission. I was one of the very fortunate who were in the House at the end of the day when Dr. Datta Samant made that suggestion. I would like all of you to know that he has made that suggestion. Otherwise, you would not know. These suggestions have been made and I will come to these suggestions later. But so far as the concrete suggestions that have been

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made on other matters are concerned, they cover the JPC Report, they make some comments on other matters. I do not think that at this stage I can deal with all of them exhaustively, but at the same time I cannot but cover some of the grounds which I have covered earlier because it has been referred to and in some cases it has been referred to in a manner which has distorted it.

I was, for instance, very much surprised when one hon. friend said that the Government had not made enquiries either before the SNAB Report came or after. This was his statement. I was surprised because the entire correspondence between the Government on the one hand and Bofors on the other, and the Swedish Government, has been tabled in the Monsoon Session of 1987. So, all my friends have had occasion to have a look at the exchange of correspondence and they would, I hope, be fair enough to concede that it is the Government's effort which has led to this information coming out in the first place. The *Hindu* has followed up on that information and also got some more information. But basically the Government and the JPC have produced the information on which now today the *Hindu* is building up or the other friends are building up further information. It would be highly unfair to say that the Government has made no effort. The Government of India reacted very vigorously when first this allegation was made and it is a result of that today...

AN HON. MEMBER : What is that ?

SHRI K. C. PANT : If you want, I can; I did not want to go into those details. In April, you might recall, when first the media reported about substantial payments having been made. at that stage the present Government took up this matter with Bofors, took up the matter with the Swedish Government and they...*(Interruptions)* I cannot understand this. I am a polite person. I tend to stop when somebody interrupts. But the interruption must be meaningful.

Sir, the fact of the matter is that apart from the other pieces of information that we gave to the House there is one piece of information which... not be controverted and the Prime Minister's name is just

referred to and that is that he talked to Olof Palme and said that we don't want an intermediary, we don't want involvement of an agent in the finalisation of this contract. And just because Olof Palme is a respected figure, he confirmed this. Therefore, my Hon. friends would like to sweep this under the carpet. It cannot be swept under the carpet. It is a matter of record; it is a matter of fact. And it establishes more than any other single fact, the *bona fides* of the Prime Minister in this matter.

Now, it is not as though the Government has kept the House un-informed at any stage about what it has been doing. The letters exchanged between the Government and the Bofors is with the Members. If I repeat that, that will take too long a time. I will skip that. I will come to the fact of the SNAB Report. How did that Report come into being ? When we did not get the information which we were seeking, when Bofors did not give us the information, then we requested the Swedish Government, "please let us know because the Bofors is not letting us know. You should help us to get this information because the whole country is exercised, our Parliament is exercised, our friends opposite are exercised, even we are exercised in this matter." As a result of that, the Swedish Government established an enquiry to be conducted by the Swedish National Audit Bureau. This point needs underlining because it is with this that the whole process of investigation began. It had necessarily to begin in Sweden. It began in Sweden and it began because of the efforts made by this Government. And I would like to tell you that ordinarily when a country like Sweden or any other country for that matter, succeeds in selling the gun at a price of thousand crores plus to any other country normally it does not enquire into those deals. Normally, it is content to let it lie there. It is only because we were concerned and we insisted and the Prime Minister insisted that there must be an enquiry and you must give us an answer, that they appointed this Swedish National Audit Bureau Inquiry. Let us remember this fact. Let us not slur over this fact. And the Swedish National Audit Bureau then duly submitted its Report. It came before this House. It came before the Government and in that we found that names of the persons

who had received the payments, the services rendered, were not clarified. And, therefore, when those portions had been excised, then we immediately—if my friends will recall—consulted the leaders of the opposition. We told them that this is what is given to us and we feel that we should have a Joint Parliamentary Committee which you had been asking for. This is what happened. Then the SNAB Report came. When the SNAB Report came, this is exactly what we did we gave it to the country, we gave it to Parliament and we took our friends not only into confidence but we accepted the suggestions that they had made. Now that they did not ultimately join the JPC is another matter. We have discussed it at great length.

But I would like to recall, during this debate also, that so far as Government's *bona fides* in the matter is concerned, if you go by the fact, it cannot seriously be questioned for the simple fact that we need not have appointed the JPC by taking shelter behind the plea that ordinarily Parliament does not appoint JPC in such matters. I think that this is a fact that this is the first JPC of its kind. So, we need not have gone out of our way. But we went out of our way because we were interested in getting at the truth, at the fact. We were very much interested in carrying our friends opposite with us. We were very much interested in their collaboration and cooperation. We did not want to play politics with the guns. We did not want to play politics with Defence. We thought that Defence preparedness is something on which we could agree. We thought that this was a matter in which there can be no difference between us. Therefore, may be, we were wrong in this assessment. May be we were completely wrong and I am prepared to accept that we may have misjudged some of the Hon. Members who may have persuaded others. But I am not prepared to accept that there was nobody sitting there who did not want to join the JPC. Anyway, whatever happened, happened and it is all behind us now. I am only recounting it in order to explain once again that these facts were brought out because of the interest, because of the pressure brought to bear on the Swedish Government by this Government.

What was the Bofors' position? I men-

tion this because sometimes you tend to confuse what the Government says with what the Bofors say. So I state the Bofors' position. The Government continued to make enquiries from Bofors, Bofors denied the involvement of Indians as well as the payment of bribes, kickbacks or commissions in securing the contract. They consistently asserted that the payments were in the nature of winding up charges, the disbursement of which had become essential as a result of the Government of India's insistence that there must be no agents. I am merely stating it so that it is understood that this is the position which the Bofors had been consistently taking.

Having brought that behind me, now I want to come to the JPC. What did the JPC do? The JPC was appointed as soon as the SNAB Report came. What did it do?

AN HON. MEMBER : White washing.

SHRI K.C. PANT : Well, I think at least once on this occasion you will do me the courtesy of listening to me because by uttering words like 'white wash', you are not adding to the argument, you are not adding to the reasons, you are not adding to logic; you are only exercising your lungs, but that does not help. It shows that even after a long debate you don't feel satisfied. Well, if you are not satisfied, then we can discuss it. I am prepared to discuss it even in my chamber. Any one of you can come, a group can come. We can go into this matter. There is no difference between us. Why don't we go into it? But at least in this House let the debate be orderly.

The establishment of the JPC was done by the Parliament on 26th August 1987. I, on this occasion, would like to say only two or three things. Firstly the important point was whether or not the Government gave the JPC full access to its records; whether anything was withheld from the JPC; whether the JPC was enabled to go to the root of the matter on the basis of the records available with the Government; whether even on the pretext of secrecy—if you like it—anything was withheld. There were definitely documents which very sensitive, which normally no Government would have given to any Committee, normally which are never given even within the

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Government to all and sundry. But in this case, because the House was concerned, because the country was concerned and because the Government had made a promise, all the records were made available to the JPC. I want to underline this fact. All and every record that they wanted were made available.

Secondly, the seniormost officers of the Government both in the Army and in the Civil service, serving officers and retired officers, all of them testified before the JPC. Nobody was withheld on that account. They had a full opportunity to discuss this matter with all these officers and also with other people with whom they wanted to discuss like the Bofors' representatives etc.

Then I had made a promise that the investigating agencies of the Government would be placed at the disposal of the JPC. This was done. Investigating agencies were placed at the disposal of the JPC and the JPC used these agencies.

Then came the question of the Attorney General. The Attorney General's advice was taken by the JPC on legal matters. I cannot understand how anybody can object to the JPC taking the advice of the Attorney General or the Attorney General giving his sincere advice.

SHRI S. JAIPAL REDDY : Was it sincere ?

SHRI K.C. PANT : You may not agree with it. I am not asking you to agree with the Attorney General's advice. *(Interruptions)*

SHRI S. JAIPAL REDDY : He is using unnecessary adjectives.

SHRI K.C. PANT : I do not question or doubt sincerity of the Attorney General. Let me say it quite clearly. I have great respect for him. I have respect for his legal knowledge. *(Interruptions)*

[Translation]

MR. SPEAKER : What are you doing ? Why are you doing so unnecessarily ? It is not good. It is not welcome all the time.

[English]

SHRI K.C. PANT : How does my paying a compliment to the legal acumen of the Attorney General offend my dear friends on the other side ? I cannot for the life of me understand it. How does it offend to them. *(Interruptions)*

[Translation]

MR. SPEAKER : Now please, keep quite.

[English]

My dear friend, Mr. Chowdhary, you are wrong. It is okay. Please take your seat.

[Translation]

If you do not study rules, what can I do. Please sit down.

[English]

There should be some limit to anything in this world.

SHRI K.C. PANT : Sir, my only submission would be that any orderly debate is not possible if anything inconvenient to me is drowned out by them and anything inconvenient to them is drowned out by us. Then Parliament cannot function. Therefore, please if it is inconvenient to you then you must have the patience and courtesy to listen to me. That is all I am asking of you. I am not asking for understanding which I do not expect. *(Interruptions)*

MR. SPEAKER : Order, Order. I would like to say that one must have the courage to say something but it takes much more courage to listen also. This I am saying to all of you.

SHRI SOMNATH CHATTERJEE : We expect the same treatment from that side also.

MR. SPEAKER : I am saying to all of you. It is a question of give and take. The way we are behaving and expressing ourselves it should not be done. We should try to uphold the traditions of good parliamentarians and we must have the courage to listen. We must have the courage to say and also courage to listen.

SHRI SOMNATH CHATTERJEE : I am prepared to listen. I am prepared to be admonished by you but not by them.

MR. SPEAKER : I am talking as a whole. I am not casting any aspersion on anybody.

SHRI SOMNATH CHATTERJEE : I am prepared to be admonished by you but not by them.

MR. SPEAKER : I agree with you on that. Everyone must have his say and must listen also. This is not the way to interrupt and shout. I do not like it. Nobody else will like it. People Outside will not like it.

(Interruptions)

SHRI K.C. PANT : Sir, I was pointing out that it is on the basis of these documents, oral testimony, investigations carried out and the opinion of the Attorney General that the JPC came to certain conclusions and submitted its report to Parliament during the Budget Session of 1988. I would like to take this opportunity to thank the JPC for the pains that they have taken. *(Interruptions.)*

[English]

It is his opinion.

[Translation]

MR. SPEAKER : Now, please stop it.

[English]

It is his thinking. You cannot change his thinking.

SHRI AMAL DATTA : What has made him to make such comments. You know, Sir, why we did not join the JPC because they were not prepared to offer the terms ...*(Interruptions)*

MR. SPEAKER : Your terms cannot be dictated. It is a question of give and take on both sides.

SHRI K.C. PANT : As I said I would like to thank the JPC for the meticulousness with which they gone through the records. I would like to thank them for the pains that they have taken. *(Interruptions)*

That is my opinion. How can you change it ? That is my view. *(Interruptions)*

Why interrupt me ? That is my view. You have a different view. You had stated yesterday. I have listened to you. Have I interrupted you once even when you attacked the JPC ? *(Interruptions)* It is within your right to attack the JPC. I am within my rights to defend the JPC. *(Interruptions)* I have to defend it. *(Interruptions)*

[Translation]

MR. SPEAKER : What is this ? Why are you doing so ? He has his own opinion. It was not right on your part to say so to him.

[English]

There is no question now. You deprecated that. You did not admire that effort

(Interruptions)

MR. SPEAKER : I don't expect this thing. It is not a behaviour of a good parliamentarian. No, I don't like.

SHRI AMAL DATTA : Is the Government behaving like a Government ? Government must behave responsibly.

(Interruptions)

SHRI K.C. PANT : Sir, Shri Acharia is asking me for the findings of the JPC. All right, the essence of these findings was as follows.

That the procedure followed for the selection of the Bofors gun was sound and objective, and the technical evaluation of the various gun systems considered was thorough, flawless and meticulous.

The Bofors is a sophisticated gun system which meets all the essential technical and operational parameters of a medium field gun.

No middleman was involved in the commercial negotiations. *(Interruptions)* He asked me what were the conclusions of the JPC. *(Interruptions)* He asked me a question. I am trying to answer it. *(Interruptions)*

[Translation]

MR. SPEAKER : What is it ?

[Mr. Speaker]

[English]

Let him say. He is answering your question.

[Translation]

It is an old record which is being played. What can I do? I have become fed up of all this. How long it will continue?

[English]

SHRI K.C. PANT: Sir, this has become a TV serial in which my friends opposite are interested. Every time they bring it up.

The Negotiating Committee was able to generate keen competition among the competing suppliers and the Government succeeded in securing the purchase at the lowest price and on the best financial and other terms. The contract is supported by substantial credit on attractive terms, financial and performance guarantees, and the uninterrupted flow of supplies is fully assured.

The decision to award the contract to Bofors was purely on merits and no extraneous influence or considerations such as kickbacks or bribes as alleged in the media, affected, at any stage, the selection and evaluation of the gun systems or the commercial negotiations.

Bofors paid SEK 319.4 million to three foreign companies as winding-up charges for terminating agreements for consultancy and marketing services, etc. Two of these companies appeared to be front agencies established in tax havens. This also the JPC has said.

Despite persistent demand by the Government, Bofors declined to furnish details of the payments or the recipients thereof.

SHRI SAIFUDDIN CHAUDHARY (Katwa): What action have you taken?

SHRI K.C. PANT: Your neighbour appears to lay great store upon the Swedish agencies.

However, the certificate rendered by the Public Accountant in Sweden after

auditing Bofors accounts of the Indian contract, supports the Company's claims that its agreements with the three firms were required to be terminated to fulfil Government of India's wishes that no agents be involved in the contract.

This is the Swedish Public Accountant on whom you apparently had greater faith than an Indian...*(Interruption)*.

Bofors had refused to furnish details of the recipients on grounds of commercial secrecy. According to the Attorney General's advice to the Committee, the position taken by Bofors was sustainable in the circumstances of the case. I did not change it.

Legally, Bofors could not be compelled to furnish the requisite information. For want of any other available evidence, the Committee had not been able to reach any conclusion in regard to the identity of the recipients. However, there was no evidence to show that any part of the winding-up costs was paid to any Indian, resident in India or abroad. This is the JPC's report. You asked me as to what were the JPC's findings and I am giving it to you. I will come to the Hindu also...*(Interruption)*... You know me. I am not shirking the issue. I will come to it. But in the meantime, I expect you to listen to me patiently. I am not saying anything irrelevant. I will stick to whatever is relevant.

Lastly, to satisfy Shri Acharia, the last point is that there was no evidence to show that any middlemen involved in the acquisition process or to support the allegations of commission or bribes having been paid to anyone. These were the essential findings of the JPC. Many of you quoted from the JPC's report yesterday. Apparently, since three months have passed, some of them have taken the trouble to go through, at least, to go through some parts of it. You have taken the trouble of having quoted from it. So, JPC's report is a document which contains lot of useful information. Since Shri Acharia asked a question, it is my duty to give him an answer...*(Interruption)*... I cannot withdraw the JPC's report unfortunately. It is there.

Now, certain facts have been established by the investigating agencies which have

helped the JPC. I would like to say that despite their legally sustainable concern for commercial confidentiality, the Company were prevailed upon to furnish the names of the three firms which received this sum. They met the Government here. There was again a plea of commercial confidentiality. They had taken the plea earlier also. When they came to the Defence Ministry, there were discussions. They met the JPC. They again took the same plea. It is the Government who said, 'No, please give us these names. We would like to have these names.' There is an understandable concern in the country over this matter and we are certainly interested in finding the truth. It is because of this pressure that they did not meet any friends opposite and those of my friends who took the trouble to go to Sweden could not get any information. If they had given us this information, then they would have got up and said 'You did not get the names of the three concerns, you were content to let the matter lie. You did not want to get those names and therefore, you did not get those names.' But it is the Government which had got the names and gave them to the JPC. The three names which are talked about here have not emerged out of any opposition quarters. They have emerged from the JPC and the Government. So, if we have anything to hide, why should we give these names to the country and the whole world? Hence, it is obvious, unless you take a perverted view of these things, I think you would concede that at least in getting these names out of the Bofors, the Government has acted in good faith and in the the interest of truth.

SHRI AMAL DATTA : The names of bank accounts have come.

SHRI K.C. PANT : From where have you got the names like Svenska? Who gave the name of Pitco? *(Interruption)*... Jyoti Basu did not give us that name. Jyoti Basu can give us other names but not this name *...(Interruption)*... I am telling you in all seriousness that it was the Government's pressure on the Bofors which made them give us these names. Who established the nexus between the PITCO, MORESCO and MOINEAU? I would like to refresh your memories. You did not establish that nexus. It was the result of the Government's efforts that that

nexus was established. I would like to tell you this and you can look at the record. The whole record is with you. Therefore, whether it is Svenska—the payment of 319 million kroners was the question which was agitating you and us. We asked them 'whom did you pay it?' They said 'commercial confidentiality'. Ultimately, we got these names. The first was Svenska Inc., Panama, the second is Moineau and the third is the A.E. Services Ltd., UK. Then we got the names of the recipient companies. We got their registered addresses. We got the terms of payment. It is not that you have got all these things. And today you want to create an impression and smoke screen that as though you are more interested in the truth than us. We have you all the information. Today you got it and make speeches on that basis of information which we gave you and twist the whole thing that as though you have secured them. It is a big cudgel against the Government. It is because of this Government's information that you are able to make these speeches.

SHRI AMAL DATTA : You cannot deny these names. They are published.

SHRI K.C. PANT : They are published because we produced them. We have given them...*(Interruption)*... I will come to the material which was published in the Hindu.

On the eve of the JPC's submission of its Report in the month of April the Hindu had published certain papers, on the 22nd and 27th April, 1988, purporting to relate to Bofors' payments and tending to show, if authentic, that Sangam Limited, a UK firm owned by the Hindujas, a non-resident family of Indians, were the beneficiaries of certain payments made by Bofors in connection with their contract in India. The issues arising from these disclosures were considered by the House concurrently with its discussions on the JPC's report. It is true that the JPC did not consider but it is also true that the House did devote some time to the material published in the Hindu. You may recall it. It was observed in the course of these debates that the papers published by the Hindu did not prima facie, contradict the position taken by Bofors before the JPC and the latter's conclusions emerging therefrom,

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The material published also contained a paper suggesting the termination of Bofors' prior arrangements with Moineau, a firm which the publications had linked with the Pitco account which, in turn had earlier been linked with Sangam Ltd. It seems necessary to reiterate that even if not in exactly the same way as the Hindu, the efforts of the JPC and the Government had already established the Pitco-Moresco-Moineau nexus. Moreover, the possibility of the Hinduja's having played a role had been looked into at the very outset of the controversy and direct enquiries had been addressed to Bofors by the Ministry of Defence. Bofors had categorically denied any link with the Hinduja's who, separately, denied any link with Bofors. This is what happened ...*(Interruptions)*... I am not expecting or denying anything ...*(Interruptions)*... I am trying to tell you ...*(Interruptions)*... I will come to every point that you have made because these have been tabled. Why don't you listen to me? It is not as though this information is not tabled. Then, on 22nd June 1988 the Hindu published some other material and immediately thereafter, the Hindu published a number of other papers purporting to pertain to the Bofors contract. If you go through the material related to arrangement between Bofors and the recipients of their payments as well as with Anatronc General Corporation, to which a reference was made yesterday by several hon. Members, you will find that the published papers could broadly be classified as being agreements with the firms, papers relating to Bofors payments to them, and certain miscellaneous correspondence with them.

13.00 hrs.

An internal note of Bofors purporting to show the interse distribution of remittances between three coded Swiss accounts and a personal letter addressed by Shri G.P. Hinduja to Mr. Martin Arbdo, former Managing Director of Bofors, were also published. This is, more or less, what was published in the Hindu in June. Many hon. Members have pinpointed certain inferences that can be drawn from what was published. They have made some points and I have made a note and I do not want to ignore

what they have said. These are the main points they made. They said: Firstly, that there was an inter-relationship between Anatronc General Corporation and Svenska Inc. of Panama, one of the companies which had received large share of the admitted payment of SEK 319.4 million. Then they said: by implication, Indians had figured amongst the recipients of these payments. Further, that the nature of payments were not winding up charges, as earlier stated by Bofors, but instead were commission payments. Then they said—that these payments had not ceased by the end of 1986, as stated before the JPC by Bofors, but had continued till as late as March, 1987. Then, some of them said—the paper relating to the termination of Bofors Agreement with Svenska, entered on 13th January, 1986, was apparently ante-dated. They then said—Bofors had made inaccurate and evasive statements to the Indian authorities and the JPC. I hope, the hon. Members will concede that I have accurately summed up the points.

SHRI SOMNATH CHATTERJEE
(Bolpur): Some of them.

SHRI K.C. PANT: Well, if I have left out any point, I am sure you will raise them next year so that we can go into them again...*(Interruptions)*.

*Now, the relevant point is what is the next step?

One point was made by many hon. friends and that is: Are these papers authentic? Well, it has to be established, it has to be gone into. Certainly, I am sure, the enquiry will bring out these facts...*(Interruptions)*

DR. DATTA SAMANT (Bombay South Central): What is the Government doing? Such an important document with signatures and number has come. Is it not their duty ...*(Interruptions)*

SHRI SAIFUDDIN CHOWDHARY: What have the Bofors said about these papers? Have you asked them?...*(Interruptions)*

[*Translation*]

MR. SPEAKER: Please sit down and listen to him. First, let him finish. You are getting impatient before his turn is over.

(*Interruptions*)

MR. SPEAKER : In this way you neither let him complete his point nor let me conduct the business.

[*English*]

SHRI S. JAIPAL REDDY : Let him first say as to why Win Chadha has not been arrested so far...(*Interruptions*)**

[*Translation*]

MR. SPEAKER : You should sit quietly, sometimes at least. First, let him finish. Replies to all your queries will come. All the things cannot be done according to your dictates.

Hon. Members are speaking without my permission. Do not record.

[*Translation*]

If you do not listen, how will you know ?

[*English*]

SHRI K.C. PANT : Naturally, we have to ask them. We have nothing to hide. Why should we not ask them ? I will tell you their reply...(*Interruptions*) Now, atleast you should be satisfied and should not interrupt. We have asked them...(*Interruptions*). I know that you are disappointed. If you do not jump to conclusions before listening to me, all your doubts would be clear, but you have come with a prejudiced mind, you have made up your mind before you entered the House. How can I convince you ?

The first point that they have raised is : Have we asked the Bofors ? I am saying : Yes, we had asked. We analysed the Hindu document and we said to Bofors : "Well, you have told us so and so, we have analysed these documents, there is a discrepancy between the two. We would like to know what you have to say about it." This is what we said. I have absolutely nothing to conceal. Why should I not tell you ? I will tell you the reply of Bofors. In their reply, Bofors have reiterated that they have not paid or conspired to pay any bribes to win the Indian contract which they had negotiated without the involvement of any agent or middleman.

SHRI BASUDEB ACHARIA : Are you satisfied ?

SHRI K.C. PANT : Are you satisfied, what is it ? You have asked a question and I am giving you a reply.

In order to meet the Government of India's request they were forced to terminate long standing agreement and to pay termination costs amounting 319.4 million Kroner which were not made to any Indian individual or company. This is their reply.

SHRI SAIFUDDIN CHOWDHARY : What about the documents ?

SHRI K.C. PANT : Yes, about the Hindu documents, as regards the material published in Hindu paper, they stated that as a matter of policy they do not comment on newspaper articles. (*Interruptions*)

SHRI K.C. PANT : What is this, Sir ? (*Interruptions*)

MR. SPEAKER : You asked him the question and he has explained it. Now, listen to him.

SHRI V. SOBHANADREESWARA RAO (Vijayavada) : Are you satisfied, Sir ?

MR. SPEAKER : There is no question of satisfaction. You have asked him for certain facts...

(*Interruptions*)

SHRI K.C. PANT : You have asked a relevant question. I gave you the information that is with me. (*Interruptions*)

I have not completed my reply. (*Interruptions*)

You have made some suggestions to which I have also to react. I have not completed my reply. (*Interruptions*)

MR. SPEAKER : Mr. Thampan Thomas, please sit down. Take your seat.

(*Interruptions*)

SHRI K.C. PANT : I have not completed my reply. I am not yielding and I have not completed my reply. Now... (*Interruption*)

MR. SPEAKER : Please sit down. Let him speak first.

SHRI K.C. PANT : There is one more question which has just been asked and that question is with regard to Win Chadha. Shri Jaipal Reddy asked a question about Win Chadha. Sir, the Government initiated timely measures to prevent Shri Chadha from leaving the country. Yesterday I was listening very carefully to the comments which my hon. friends had to offer and somehow by some strange logic they seem to find fault with the Government for having acted quickly. *(Interruption)*

Yesterday I had expected them to show ...*(Interruptions)*

In all fairness, I had expected them to commend the Government for the quick action it had taken and also...*(Interruptions)*

DR. DATTA SAMANT : Sir, he is misleading the House.

MR. SPEAKER : He is not misleading, please sit down.

(Interruptions)

DR. DATTA SAMANT : The charges against Mr. Chadha are not taken to court. I raised this issue...*(Interruption)*

SHRI K.C. PANT : The charges...*(Interruption)*

MR. SPEAKER : Will you please take your seat ?

DR. DATTA SAMANT : He has not replied. Let him tell the House what are the charges against Win Chadha.

MR. SPEAKER : I am not allowing him.

*(Interruptions)***

MR. SPEAKER : Without my permission you are speaking all the time. I will have to name you.

*(Interruptions)***

MR. SPEAKER : Let him finish his reply.

SHRI K.C. PANT : Sir, the Enforcement Directorate and the Income Tax

Department have commenced further enquiries against him. We have a rule of law in this country. We have to go by the rule of law. I hope you agree with this. *(Interruptions)*

I hope it is not a matter of laughter. *(Interruptions)*

MR. SPEAKER : We have got a rule of law.

(Interruptions)

SHRI K.C. PANT : Then, Sir, with regard to the agency for enquiry, with regard to the enquiry to be conducted, as some hon. friends opposite also told us yesterday, the CBI has already been tasked to enquire into all aspects of the matter. They are asked in particular to investigate the authenticity of the published materials, the identity of the recipients, whether any Indians received any part of the payments and if so, the services for which they were paid. Now, these are the questions into which the CBI is looking at this moment.

SHRI SAIFUDDIN CHOWDHARY : Have they contacted the Interpol ?

SHRI K.C. PANT : Some hon. members have questioned the utility of investigating agencies such as the CBI and the Enforcement Directorate. And by drawing a comparison, they have lauded the media for what they have been able to get. I would like to join the House in appreciating the efforts made by the media in this respect. If you recall as Shri V.P. Singh recalled yesterday, the Prime Minister invited material from the media. In fact, he invited material from the members also. Unfortunately, none of the members obliged. But the media have made efforts.

Sir, we have got to recognise that the media operate under a slightly different set of circumstances as compared to any investigating agency. And it is essential to recognise this difference. For instance, an official investigating agency undertakes enquiries with the object of determining whether laws have been violated for the purpose of piloting the cases successfully in the court. They have to look beyond. The case must stand in a court of law. Rule of law must be

observed. They have to collect evidence. So, there is a difference. I may tell you that they are ferreting out the evidence. Their evidence has to be tested for its legal acceptability. Whatever my hon. friends may say here, tomorrow they may be in a situation when they may need protection of law. Then, they will ask for evidence. All of us would do that. We may be in that position; we are all political figures. Well, are you going to say that evidence will not be required and it is enough for accusations to be made and accepted? Is that enough? Therefore, investigations have to be carried out and the purpose of the investigations is to collect evidence. If you want action to be taken against anybody...*(Interruptions)*

SHRI S. JAIPAL REDDY : What about the foreign exchange violations? Has any action been taken?

[Translation]

MR. SPEAKER : He will not leave it. Please sit down.

[English]

SHRI K.C. PANT : The object of investigating agencies is to collect evidence. That is not necessarily the burden on the media. The media are not obliged to reveal their sources and that is a well-known and well-established convention. They are not obliged to swear or authenticate the evidence that they produce. They publish them in the newspapers. You can understand the difference between the two and you should not question the efficiency of the CBI, merely because it is not able to do what the media are able to do. Then, there are certain obligations which you have to understand.
(Interruptions)

SHRI S. JAIPAL REDDY : Sir, the Enforcement Director...*(Interruptions)*

MR. SPEAKER : Please do not interrupt. It is very bad. You are casting aspersions on every soul in this country.

[Translation]

You create a confusion everywhere.

(Interruptions)

[English]

SHRI K.C. PANT : In relation to enquiries being conducted in a foreign country...*(Interruptions)*

SHRI SAIFUDDIN CHOWDHARY : Sir, I have asked him whether he contacted the CBI.

SHRI K.C. PANT : The CBI is in contact with the Interpol as also with other agencies, as I told you already. Why interrupt me again and again? I am telling you, I have made and an offer to you. If you are still not satisfied, come to me. I will give information to you. I am giving you so much information.

[Translation]

(Interruptions)

MR. SPEAKER : Pantji, there is a couplet in Punjabi, and I quote it.

“Paiyan aadtaan Jaandian nahin,
Varis Shah chahe kattiye poriyān-poriyan
ji, khare khoo nahin honde mitthe, chahe
khand sutiye boriyan boriyan ji.”

which means that habits die hard. Nothing can change them.

[English]

SHRI S. JAIPAL REDDY : May I submit in all humility that that couplet which you read out is equally applicable to you?

MR. SPEAKER : Am I not a part of you? Am I separate? We are all one and the same.

SHRI K.C. PANT : Sir, the last point which I would like the House to appreciate is that any official investigating agency operating in any other country has to operate in a certain manner within certain limitations. If suppose some foreign agency today were to come to our country and operate in a certain way, could we open the door? Would we not object? There has to be a certain procedure, a certain process which has to be followed. This is an international matter. Therefore any investigation that has to be carried out in other countries has to be carried out not only with the knowledge but with the consent of that Government and has to be done in a certain way. There ways are

[Shri K. C. Pant]

known to the investigating agencies. Therefore I think we should take this matter seriously. (*Interruptions*)

I know they do not take it seriously Sir, because they do not hope to form the Government. (*Interruptions*)

I say this in all seriousness, Sir.

Shri Chatterjee here may take this lightly but Shri Jyoti Basu will not—Anyone running a Government will not. Because every Government needs investigating agencies. Tomorrow, if you are sitting here, you will need the CBI. Can you do without the CBI or some equivalent agency.

SHRI VISHWANATH PRATAP SINGH (Allahabad) : Just a moment. Sir, I would like to know from the hon. Defence Minister—because he is on this point that serious efforts are being made to get information from investigating agencies—will he assure the House that he will write to the Swiss Government, because the Swiss Government has offered to give the information and collect the information through the Swiss Government on a Government to Government basis ?

SHRI K.C. PANT : Sir, I will come to this Swiss Government point also. I shall deal with that point.

Now one point which was made and I think it has to be dispassionately examined is whether extraneous influences were brought to bear on those who are exercising a decision in this matter. This is a serious point whether the contract was influenced in this manner and did we acquire inferior goods, did we acquire them at prices which were too high.

SHRI G.G. SWELL (Shillong) : C&AG had said that.

SHRI K.C. PANT : This is a matter which I shall deal with and hope to satisfy you entirely on this.

I would like to mention that the gun is a good gun. It is a good weapon system and I do not think anybody in this House has seriously questioned that. As some hon. friends in the Opposition who have seen the gun have also said so. They are knowledgeable people and I do not think

they will be disowned by their colleagues here.

Now, it has been purchased on the most favourable terms and on the basis of the intense competition which was skilfully generated.

DR. DATTA SAMANT : You say or JPC said that ?

SHRI K.C. PANT : JPC said that. I will also say, if I have to say. No evidence has been produced to suggest that any extraneous considerations were involved in the acquisition process nor is there any evidence to establish the payment or bribes or any kind of kickbacks to win the contract.

SHRI V. SOBHANADREESWARA RAO : How do you explain the percentage on the invoice ? Please explain that.

SHRI K.C. PANT : All right. Now on the question of the technical nature of the gun and whether extraneous influences were brought to bear on this, I would like to quote—since you are compelling me to quote, you are asking me this question, I would not have otherwise done it—Gen. Sunderji, who has said on Page 75 of the JPC Report :

“At no stage of this assessment of mine for the final short listing and indicating of the Army's *inter se* preference between the Bofors and the French gun, in no way, was any suggestions or influence applied on me or on any of my staff from the Ministry of Defence or Ministry of Defence or anybody in any position of authority.”

This is what General Sunderji said.

SHRI RAM DHAN : What about General Mayadas ?

SHRI K.C. PANT : I must tell my hon. friend that anybody who knows anything about the Army will understand that at the given moment, you have to respect the opinion of whoever is the Chief. It is necessarily a hierarchical system. You do not say : ‘The Chief says so, Brigadier, do you have an opinion ? Colonel, do you have any opinion ? Major, do you have an opinion ?’ This is not how the Army functions. (*Interruption.*) If we begin to take the opinion down the line,

then there will be chaos in the purchase of weapons in this country. This is not the way it is done.

SHRI SOMNATH CHATTERJEE : Then why is the Prime Minister meeting the District Magistrates, and not talking to the Chief Ministers ?

SHRI K.C. PANT : I did not realize that Shri Somnath Chatterjee looked upon the Chief Ministers as Lieutenant Generals.

SHRI SOMNATH CHATTERJEE : What a reply !

PROF. MADHU DANDAVATE : They are Lance Corporals.

SHRI K.C. PANT : Probably Lance Corporals, but he would not admit it.

Now I would like to add something in regard to the Finance Minister's role in this matter, to which Shri Vishwanath Pratap Singh referred yesterday. I have great respect for him. He has been a colleague, and he is today in the wrong company. That is also true. (*Interruption*)

SHRI RAM DHAN : You are also in the wrong company.

SHRI ANANDA GOPAL MUKHOPADHYAY (Asansol) : He will be another Ajoy Mukherjee tomorrow. (*Interruptions*)

SHRI K.C. PANT : I would like to quote from the speech of Shri Arun Singh in the other House, where he has said—I quote :

'Shri Vishwanath Pratap Singh Ji...

SHRI S. JAIPAL REDDY : On a point of order...

SHRI BASUDEB ACHARIA : Can he refer to the proceedings of the other House ? (*Interruptions*)

SHRI K.C. PANT : I think yesterday Mr. Vishwanath Pratap Singh quoted... (*Interruptions*)

MR. SPEAKER : I think that if he had quoted yesterday, it was wrong. It is going to be wrong today.

(*Interruptions*)

PROF. MADHU DANDAVATE : It cannot be quoted. Once it was quoted, in the 5th Lok Sabha. Prof. Swell said that it could not be done. I respected his decision.

MR. SPEAKER : That is what I have upheld now. Mr. Swell's ruling is upheld.

SHRI K.C. PANT : What I was going to quote, which I will not, was to the credit of Mr. V.P. Singh. What Mr. Arun Singh said was that if he approved the choice of the gun, it was because he knew it was a good gun, and he knew it was cheaper; and it is because of these things...(*Interruptions*)

SHRI VISHWANATH PRATAP SINGH : This has been said yesterday by hon. Shri Vasant Sathe, and now by the hon. Defence Minister. Sir, I must have a right of reply on this. (*Interruptions*)

The question is that with regard to the technical competence of any major system, it is decided by the Defence Ministry, and the Finance Ministry does not have technical competence. (*Interruptions*)

MR. SPEAKER : I will let you know what role you have to have.

(*Interruptions*)**

MR. SPEAKER : No; not allowed.

(*Interruptions*)**

SHRI K.C. PANT : As I said, I have great regard for Shri V.P. Singh, but I have also functioned in the Finance Ministry, though many years ago.

SHRI SOMNATH CHATTERJEE : Those were different days.

SHRI K.C. PANT : Those were different days; but I think he will concede that in the Price Negotiating Committee, there were two senior officers—the Finance Secretary was there, and the Secretary (Expenditure) was there, as far as I remember now. Ordinarily, the Price Negotiating Committee which goes into these matters keeps the respective Ministers informed; and the Finance Ministry and the Finance Minister do not approve of any major project involving Rs. 1,000 crores, merely because the file comes to him, and he signs it.

[Shri K. C. Pant]

He looks at it; he examines it and sees whether it is worthwhile, whether it is in the interest of the country or not. If it is a small amount, a couple of lakhs of rupees, the Finance Minister cannot be bothered. But if it is Rs. 1,400 crores, would the Finance Minister of the country be able to say that he has not gone into the merit of it; he has not gone into the quality of it? (*Interruptions*)

MR. SPEAKER : What are you doing ?

(*Interruptions*)

SHRI VISHWANATH PRATAP SINGH : Upto January 1985, it was the French gun. If the Defence Department says that it wants only a particular gun, what can be done? (*Interruptions*) He is going to pester me on every count. (*Interruptions*)

MR. SPEAKER : Nothing doing.

(*Interruptions*)

SHRI K.C. PANT : The question of individual responsibility is for each one of us to decide.

SHRI VISHWANATH PRATAP SINGH : That is different.

SHRI K.C. PANT : I cannot expect Prof. Dandavate to have the same sense of responsibility as Shri Jaipal Reddy is having. I cannot do that. I know the difference. (*Interruptions*)

DR. DATTA SAMANT : I will do it. (*Interruptions*)

SHRI K.C. PANT : Dr. Datta Samant, God forbid you will never do it.

DR. DATTA SAMANT : I will do it better than you. At least we will not accept kick-backs. (*Interruptions*)

SHRI K.C. PANT : There is a serious question that I would like to raise with Prof. Dandavate; that is the question of the joint responsibility in a government. You are hoping to project either yourself or Shri V.P. Singh or one of you as the Prime Minister of the country. What is

the joint responsibility of the Prime Minister or the Finance Minister or the Defence Minister? Can one get away from it? Can you say, I did not know; I was not a party to the decision? What does one say when one signs a file? It is a well-known principle. Can you say that my Secretary was responsible? Can you say that my Joint Secretary was responsible? Can you say that the Army Chief was responsible for this? Must you not stand in the House and be accountable and answerable? What is the principle? (*Interruptions*)

SHRI SOMNATH CHATTERJEE : This is most unfair. (*Interruptions*)

SHRI THAMPAN THOMAS (Mavelikara) : He could not defend himself. That is why he is with us today. (*Interruptions*)

SHRI VISHWANATH PRATAP SINGH : Is it possible for the Finance Minister to see all the files? (*Interruptions*)

MR. SPEAKER : Nothing will go on record whatever he says or others say.

(*Interruptions*)**

SHRI K.C. PANT : I have no wish to embarrass him.

SHRI VISHWANATH PRATAP SINGH : You have a new JPC. I am ready to face it. (*Interruptions*) You cannot face it. (*Interruptions*)

SHRI K.C. PANT : I am sure, if you go before the new JPC you will say, I am sorry, I signed it but I did not know what it was all about. (*Interruptions*)

Enough is enough. (*Interruptions*)

I think it would have been much better if Shri Vishwanath Pratap Singh had taken part in another debate. On this debate he is in a vulnerable position. I do not want to exploit. I do not want to exploit it any further because I do not want to embarrass him. Let me go on to other things. (*Interruptions*)

PROF. MADHU DANDAVATE (Rajapur) : You have referred specifically to me and asked a question.

SHRI K.C. PANT : I made a mistake, I withdraw it.

PROF. MADHU DANDAVATE : It is a fine blunder you have committed. You asked me a question. (*Interruptions*)

MR. SPEAKER : I am not allowing.
(*Interruptions*)

PROF. MADHU DANDAVATE : Mr. Pant, please continue to yield. You have raised a very relevant point.

SHRI K.C. PANT : Now, the Hon. Speaker is not allowing. (*Interruptions*)

PROF. MADHU DANDAVATE : Mr. Speaker, you have forced him to unyield. It is very unfair. In Parliamentary life, when a Minister yields, the Speaker never tells him, "Do not yield". (*Interruptions*)

MR. SPEAKER : He does not need my permission.

(*Interruptions*)

MR. SPEAKER : How can I allow him ?

PROF. MADHU DANDAVATE : Sir, with your permission,...(*Interruptions*)

He has raised a very relevant point about administration.

MR. SPEAKER : What is the proper method ?

PROF. MADHU DANDAVATE : You also yield. (*Interruptions*)

MR. SPEAKER : You ask for my permission and then I give.

PROF. MADHU DANDAVATE : Sir, with your permission, I would like to point out to Mr. Pant, because he referred to me and said, that with his experience probably he will be able to say whether it is permissible under joint responsibility. I will give a concrete instance.

PROF. N.G. RANGA (Guntur) : Oh ! A story !

PROF. MADHU DANDAVATE : I am not asking him to yield.

PROF. N.G. RANGA : He is going to tell a story.

PROF. MADHU DANDAVATE : I have great respect for Prof. Ranga, (*Interruption*). He is yielding now. I will give, from my own experience, an instance from the Railway department. When we had specific railway equipment to be imported, in that particular case, as far as the technical aspect of the entire equipment of import is concerned, no doubt the Finance Ministry looks after certain financial aspects, but not even on one occasion during my tenure of the Railway Ministry, my Finance Minister, Mr. Patel had ever interfered and he had not gone into the details, the technical aspects of the equipment. (*Interruptions*)

MR. SPEAKER : Order, order.

SHRI K.C. PANT : Sir, I agree with Prof. Dandavate that the details are not looked into, but certainly,—I have been a Minister, I have been in charge of Expenditure—when such large sums are involved the Finance Ministry does look into the merits of the expenditure and it is called upon to. (*Interruptions*)

SHRI SOMNATH CHATTERJEE : He has approved the gun but not the clandestine transaction.

SHRI K.C. PANT : I hope, Prof. Dandavate will take my remarks in the spirit in which they are made, but the Janata Party is not the best example of collective responsibility.

SHRI SOMNATH CHATTERJEE : There is no collective responsibility there, but collective subjugation.

[*Translation*]

MR. SPEAKER : It may be an experiment.

[*English*]

(*Interruptions*)

MR. SPEAKER : Personal experience is much more useful.

(*Interruptions*)

SHRI SOMNATH CHATTERJEE (Bolpur) : Shri Charan Singh's Ministry is a perfect example. He was a member of that. (*Interruption*)

MR. SPEAKER : That is why I said personal experience is much more useful.

(Interruptions)

PROF. MADHU DANDAVATE (Rajapur) : When he got on the wrong foot, he blamed the party. *(Interruptions)*

SHRI K. C. PANT : Shri Somnath Chatterjee appeared to have taken some objection to the statement that no Indian politician was involved. I think he said, 'why do you say this in respect to the payments'. *(Interruptions)*

SHRI SOMNATH CHATTERJEE : Without any enquiry.

SHRI K.C. PANT : Now can you deny that there is no evidence. He knows the meaning of the word 'evidence' of any Indian official or politician receiving any kickbacks or bribes. He himself said, 'let us go in for further inquiry'. *(Interruptions)*

SHRI SOMNATH CHATTERJEE : Sir, I have a right to reply. He is twisting the facts. *(Interruptions)*

MR. SPEAKER : Please sit down. I have not allowed you.

(Interruptions)

SHRI K. C. PANT : The Hindu paper also if authentic, do not establish any such payments. They also do not. Sir, the question, whether an Indian received any payment; and if so, what action can be taken under law; and if any law has been violated is one of the points which is being inquired into by CBI. If the culpability is established, than the offender will face severest legal action. I mean, this is something which the Prime Minister has also promised this country that no mercy will be shown on this. I do not know why our friends should try to create an unnecessary scene about this matter. They want to create confusions because it suits them politically. But they are not going to take anybody in because the people of the country can see through it. *(Interruptions)*

Have you conceded the need for further inquiry ? If you had evidence today that any politician has taken money, would you have kept quiet ? I ask you this question.

Because you do not have any evidence, you say 'let us have an inquiry, let us have a second JPC, etc. etc. *(Interruptions)*

SHRI SOMNATH CHATTERJEE : Then, why did the Prime Minister say that no politician is involved without any inquiry.

SHRI K.C. PANT : Sir, Dr. Datta Samant asked for a judicial commission. Why should he do that he was sure of the evidence ? I do not think that it would be right to denigrate any of our Indian Agencies. I was really shocked yesterday when a friend like Shri Somnath Chatterjee, whom I respect, said—what was his concrete suggestion—'you give this inquiry to the Swedish Public Prosecutor. *(Interruptions)*

SHRI SOMNATH CHATTERJEE : Because of the non-cooperation of the Government of India, they cannot proceed there. *(Interruptions)*

MR. SPEAKER : Please sit down.

SHRI SOMNATH CHATTERJEE : I also point out that it was because the Singapore Government cooperated with the Public Prosecutor, they could find out the truth. Why cannot they do it in this case also ? *(Interruptions)*

SHRI K.C. PANT : Sir, your permission is not sought to interrupt me... *(Interruptions)*

Shri Somnath Chatterjee should feel embarrassed at his suggestion...*(Interruptions)*

SHRI SOMNATH CHATTERJEE : He is distorting what I said. Look at my speech. *(Interruptions)*

SHRI K.C. PANT : I would be very strong. I would say that it is a shameful suggestion to invite a foreign agency to make an inquiry. *(Interruptions)*

SHRI SOMNATH CHATTERJEE : Why did you write to the Swedish National Audit Bureau ? *(Interruptions)*

SHRI K.C. PANT : I have never invited them into this country to inquire. We have our own agencies and we are proud of those agencies. I am certainly not going to agree to this. *(Interruptions)*

This functionary in Sweden in whom they have pinned their faith, has also conducted an enquiry and then he has concluded in his investigation that he has not found anything, because he has to operate under the Swedish law. We operate under the Indian law. The Swedish Public Prosecutor operates under the Swedish law...*(Interruption)*

SHRI SOMNATH CHATTERJEE : I also agree with the JPC on this aspect. Why do you not write to the Public Prosecutor ? *(Interruptions)*

SHRI K.C. PANT : There was a suggestion made by several hon. Members that there should be a second JPC. Now, the question we have to consider is that what would the present Joint Parliamentary Committee achieve because that seems to be the suggestion which many of my hon. friends have made. I do not think that we should allow the present emotions to cloud our judgement in this matter. One parliamentary committee has gone into this matter, as I said earlier. Would it be right to reopen its findings and appoint another parliamentary committee to sit in judgement over that ? *(Interruption)*

SOME HON MEMBERS : Yes. *(Interruption)*

SHRI K.C. PANT : You are entitled to your opinion...*(Interruptions)*

The first parliamentary committee went into all the evidence that was available, went into the documents, went into the facts. They took evidence. They did all those things. And there is absolutely nothing found. Further enquiries are going on. At this point of time, there is absolutely nothing for the second JPC to do...*(Interruption)*

Secondly, there has been no suggestion of anything wrong in the acquisition...

SHRI SOMNATH CHATTERJEE : Shameful...?

SHRI K.C. PANT : Why does it hurt so much ? You can say anything you like. We listened to you. I did not interrupt you even once...*(Interruptions)*

As I said, enquiry is being conducted. And a parliamentary body cannot be an enquiring agency, Even if a parliamentary

committee is set up, then again they need an investigative agency which will make this enquiry for them. There is no other way to do it.

SHRI SAIFUDDIN CHOWDHARY (Katwa) : Nothing new has come...*(Interruption)*

SHRI K.C. PANT : But that has to be enquired into...*(Interruption)*

It has been my experience that whenever arguments fail, noise is inevitably erupting in the House. Whenever you lose a case, this is what happens...*(Interruptions)*

What they want really is not a joint parliamentary committee; what they want really is a joint parliamentary committee in which the opposition has a majority. Why ? Because they are interested in using it politically.

SHRI SURESH KURUP (Kottayam) : Who said that ? Who demanded that ? *(Interruptions)*

SHRI K.C. PANT : Why are you shouting ? Listen to me. You do not want JPC ?

SHRI SURESH KURUP : You are distorting the facts.

SHRI K.C. PANT : All right, you tell me the facts.

SHRI SURESH KURUP : Nobody said so.

SHRI K.C. PANT : So, you do not want majority in the committee. None of you want a majority.

SHRI BASUDEB ACHARIA : But the Chairman should be from the opposition.

SHRI K.C. PANT : Why ?

MR. SPEAKER : It is neither in your power nor in his power. It is my power. And I am going to retain that. I am not going to part with my prerogative.

SHRI K.C. PANT : But generally a parliamentary committee reflects the strength of the parties in the House. That is what ordinarily is understood and that is how parliamentary committee functions. But they want to convert it into a star chamber to find fault with us, just to make accusations and allegations...*(Interruptions)*

[Shri K. C. Pant]

Shri V.P. Singh asked a serious question about Swiss Government, whether the Swiss Government has been approached to disclose the particulars of the recipients of the amounts deposited in the Swiss Bank. And in this connection he made a reference to the recent newspaper reports. And suggestions have been made that the Swiss authorities are now willing to provide the requisite assistance to India in unearthing the recipients of Bofors payment. A reading of this report would, however, show that the Swiss request for seeking information relating to middlemen and commission was itself considered insufficient for the purpose. In brief, it is not a well based assessment that the Swiss authorities would disclose the requisite information merely on being approached. The present legal procedures shall have to be followed. Taking of evidence and production of documents for the purpose of criminal proceedings in India or Switzerland would be possible if the facts described in the request constitute an offence punishable under the laws of both the countries. To satisfy the Swiss legal processes, our Criminal Procedure Code has been amended by Parliament. And our understanding with Swiss Government for provision of mutual assistance in criminal matters is likely to be finalised shortly. While contact has been established with the Swiss authorities, our investigating agencies will be better able to determine in what form to pursue the matter in Switzerland only after their enquiries have made headway. This is the position...
(*Interruption*)

SHRIMATI GEETA MUKHERJEE
(Panskura) : I want a clarification.

MR. SPEAKER : No clarification.

SHRIMATI GEETA MUKHERJEE :
When you have allowed everybody why not me ?

MR. SPEAKER : I have not allowed anybody. You please sit down.

(*Interruption*)

SHRI K.C. PANT : I do not want to take any more time of the House. I think, many bigger issues are there before us to face. India is much bigger than many of us here. Let us not forget that. Defence preparedness is much more important to this country than any of us here. Let us agree on this basic thing. So my earnest request

to my hon friends is not to play politics with defence. Please keep defence away from politics...(*Interruptions*)

I must tell my hon. friends that if they have the interest, listen to this that long time has been taken in selecting this gun. The country needs it.

SHRI THAMPAN THOMAS : The question is not that. (*Interruption*)

SHRI K.C. PANT : You know from experience that if you go on heckling me, it will only take more time of the House. You are all wanting to go for lunch. Why do you not let me finish ? Otherwise, you have tried it in every debate, ultimately I have withstood you and I will withstand you again. Therefore, please do not shout.

What I was saying was that selection of any gun is an important exercise for any country. And we have selected a particular gun. All our experts have done it. Today our troops have accepted it; our people have accepted it...(*Interruptions*) This is not a laughing matter. This is a gun which will remain with us in our forces till after the turn of the century. This is not a thing which will go away in one day or two days or one week or one month. This is a serious matter. And some little patience, some little attempt to understand this will convince my friends that it is wrong to allow the issue, so far as defence preparedness aspect is concerned, to create this kind of atmosphere. After all, this has an impact on everybody outside. It has an impact on defence forces. Let us be careful in what we say. Let us be cautious in what we say. If my friends think that our democracy should be reduced to a level where I call them crooks and they call me crooks regardless of evidence, then I am very sorry to say that this will not take this country forward. We have come here elected by the people. Ultimately we will go to the people. Therefore, let them remember this that any attempt to cast unfounded aspersions, baseless allegations and charges, a lot of dirt, noise and smoke, these things are not going to take this country forward. We must establish certain norms. And the norms of democracy are established on the basis of certain respect for each other. I have said this before in the House and I say it again that when these little things are said, my

friends get offended. I do not blame them. Then they must also see that calling each other names is not going to take this country forward...*(Interruptions)*

Therefore, all I would like to say to my hon. friends is that insofar as this particular matter is concerned, we have told the House, the Prime Minister has told the country that if any culpability is established which is punishable in a court of law in India, severest action will be taken. Enquiries are going on. That is something which should satisfy all reasonable people in this House.

13.55 hrs.

*The Lok Sabha adjourned for Lunch
till Fifteen of the Clock*

15.04 hrs.

*The Lok Sabha re-assembled after
Lunch at four minutes past Fifteen
of the Clock*

[MR. DEPUTY SPEAKER *in the chair*]

[*English*]

MR. DEPUTY SPEAKER : Now Shri P.V. Narasimha Rao to make a statement.

STATEMENT RE : PRIME MINISTER'S
VISIT ABROAD DURING JUNE AND
JULY, 1988

[*English*]

THE MINISTER OF EXTERNAL AFFAIRS (SHRI P.V. NARASIMHA RAO) : The Prime Minister visited Syria, Federal Republic of Germany, New York (UN) and Hungary from June 4 to 11, 1988. He also visited Jordan, Yugoslavia, Spain and Turkey from July 11 to 20, 1988. This was the first ever visit by an Indian Prime Minister to Jordan and Spain. To Syria, it was a visit by an Indian Prime Minister after a gap of 31 years while the visit to Turkey was after an interval of 28 years. The Prime Minister received a warm welcome in all the countries visited.

The talks were held in a friendly and cordial atmosphere and were characterised by goodwill on both sides. During these visits, Prime Minister reviewed matters of bilateral, regional and international concern

with leaders of these countries with a view to further strengthening of bilateral ties and extending cooperation with these countries on regional and international issues.

In the discussions with Syrian President Hafez al Assad and Premier Zoubi there was complete agreement on enlarging and diversifying bilateral exchanges. In the regional and international sphere, the Syrian side gave its assessment about the situation in the Middle East, Lebanon, and on the Iran-Iraq war. We on our part apprised the Syrian leadership about the situation in our region. The discussions revealed a broad consensus of views between the two sides. There was general appreciation of the Indian stand. Decisions were taken on exchange of visits and a meeting of Joint Trade Committee which took place on 27-28th June. An invitation was extended to President Assad to visit India.

The visit to FRG was overdue as the last visit by an Indian PM was in 1971. Visit was also opportune because in recent years Indo-FRG relations have developed considerably. FRG is now our largest trading partner in Western Europe. In terms of new collaborations approved by Government of India it ranks only after USA. It is the biggest bilateral aid donor from amongst West European countries. FRG Government has also been indicating their interest in a high level political dialogue with India. An exceptionally warm reception was accorded to P.M.

PM visited Stuttgart, Munich and Bonn and had discussions with Chancellor Kohl, Foreign Minister Genscher, Economics Minister Dr. Bangemann, Minister for Economic Cooperation Dr. Hans Klein, Chairman of SPD Dr. Vogel and Minister-Presidents of Baden-Wuerttemberg (Mr. Spaeth) and of Bavaria (Mr. Strauss).

There were two rounds of talks with Chancellor Kohl in which bilateral and international issues were discussed. It was agreed that annual political consultations between the two Foreign Offices will be held regularly. Regular seminars to promote cooperation at the academic, industrial and scientific level between the two countries will be held. Collaboration in science and technology will be promoted by setting up a joint consultative committee to review on-