

[English]

STATEMENT BY PRIME MINISTER

**Bofors Investigation**

THE PRIME MINISTER (SHRI P.V. NARASIMHARAO): Mr. Speaker, Sir, it was only on 1st April, 1992 that I had spoken in this House on the subject of the investigations and cases relating to the Bofors contract. After comprehensive debate on all aspects I had clearly indicated Government's approach to the matter in unequivocal terms. Within the same month we are again discussing the same subject. Unfortunately, as on the previous occasion, this matter has come up again on the basis of a newspaper report which by and large repeats what had appeared in newspapers earlier.

Sir, since no changes have taken place on facts, I have very little to add to what I had said when I spoken in the House on this subject last time. To recount, as the then External Affairs Minister, Shri Solanki, told this House earlier, he met his counterpart Mr. Felber in Davos on 1st February, 1992. He passed on to Mr. Felber note concerning the proceedings pending in India connected with matters arising out of the Bofors contract. I had no knowledge of the note and there was no question of my having authorised him to pass it on to the Foreign Minister of the Government of Switzerland. This is the truth of the matter.

Since in fact, I had neither authorised the giving of the note nor had any knowledge of the note, the question of Shri Solanki mentioning my name or authority to his counterpart simply could not arise. Shri Solanki has confirmed this and has emphatically denied having made any reference to me in any manner. The sequence of events is already in the knowledge of this House as they were brought out in the previous debate. I would once again like to reiterate unequivocally that I neither had knowledge of the note handed over by Shri Solanki nor

did I authorise any note being handed over to the Swiss Foreign Minister.

Mr. Speaker, while I continue to hold the view that an unauthenticated report contained in a newspaper ought not to require a discussion, denial or rebuttal, I shall cover some of the points, in deference to the wishes of Hon'ble Members.

The newspaper report refers to a sequence of events that allegedly took place after Shri Solanki handed over the note to the note to the Swiss Foreign Minister, Mr. Felber. I wish to make it clear that there has been no communication from the Swiss Government making any reference to and note. The reference in the newspaper report to "a communication from Switzerland to the CBI dated March 23, 1992" is in fact a reference to a fax message from CBI's lawyer in Switzerland, Mr. Mare Bonnant, in which there was a reference to a memorandum having been handed over to Mr. Felber by Shri Solanki. This communication was received in the office of the CBI on the night of 24th March 1992 and was seen by the Director, CBI on 25th March, 1992. The lawyer, Mr. Bonnant, stated that he was told that the memorandum handed over by Shri Solanki was at the Prime Minister. In this communication he sought directions from CBI on various points. CBI promptly replied to Mr. Bonnant on 26th March, 1992 and denied any knowledge of the alleged memorandum. CBI reiterated that the Swiss authorities should pursue the enquiries without taking cognizance of the said memorandum. It will therefore be seen that the letter of 23rd March, 1992 was from counsel to client and the client had promptly and categorically repudiated the alleged memorandum.

The newspaper report also refers to lack of response on the part of the Government of the handing over of an unauthorised note. I should like to remind the House that during the debate, and particularly in my own reply, I had strongly repudiated any suggestion that the note was sent either by Government or with my knowledge. We informed the House of the communications sent by

CBI to the Swiss authorities on 24th March, 1992 and 26th March, 1992 reiterating our request for legal assistance. Besides, as stated in the House, another official communication was also sent to the Swiss Government within hours of the closure of the debate pointing out that the note handed over to Mr. Felber was not authorised and should therefore not affect in any manner the pending request for assistance. I had occasion to inform the Rajya Sabha on the following day of this position. There is no question of the Government or the CBI not having reacted adequately or appropriately to the situation.

In conclusion, Mr. Speaker, Sir, I should once again like to reiterate that my Government is committed to pursuing the case in accordance with law and with all diligence to find out the truth. (*Interruptions*)

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#### RE, PRIME MINISTER'S STATEMENT ON BOFORS INVESTIGATION

[*English*]

SHRI JASWANT SINGH (Chittorgarh): Mr. Speaker, Sir let me say at the very outset that it is a matter of considerable relief to all of us here that the good name of the hon. the Prime Minister is not involved in this questionable affair. (*Interruptions*)

Mr. Speaker, Sir, that really begs the question because this somewhat delayed expression of outrage that we are witnessing from the Treasury Benches is unconvincing because this is precisely what we had sought yesterday and for five hours, not one Member... (*Interruptions*)

SHRI A. CHARLES (Trivandrum): We were not responsible... (*Interruptions*)

SHRI JASWANT SINGH: I am on a very simple point here. This is precisely what we sought. (*Interruptions*)

SHRI A. CHARLES: He should withdraw the allegation. (*Interruptions*)

SHRI JASWANT SINGH: This is precisely what we had sought. We were not in possession of that. We constantly pleaded with the Treasury Benches. There were senior Cabinet Ministers present here. I recollect very well that I stood up myself and pleaded with the ranks of the Cabinet Ministers present saying, "all that you have to say is, one of you is to stand up and say that the Prime Minister is not involved and all the other various questions ... (*Interruptions*)"

SHRI A. CHARLES: How can we say that? (*Interruptions*)

SHRI JASWANT SINGH: For five hours, not one Cabinet Minister had the gumption, the courage and the conviction and also not one Cabinet Minister had faith in their own Chief Executive to be able to stand up and say:

"Well, if that is the only thing that you want, here it is: the Prime Minister is not involved."

Sir, you know it all. I do not want to repeat what took place in your office. So let me say that we are relieved that the hon. the Prime Minister is not involved. But nevertheless, some queries remain; some very substantial questions remain because they are worrisome questions. Let me very briefly and succinctly put them across to the hon. the Prime Minister so that we can be benefited.

MR. SPEAKER: Let us be very brief. We have discussed this for a very long time.

SHRI JASWANT SINGH: Sir, I will be very brief. They arise from the statement and are related to the facts. Our submission and the text of my submission was that all these clarifications are particularly about the handling of this entire affair arising from what is commonly called as Solanki's affair. And secondly, about the handling of the legal matter, now arising from the clarifications by the hon. the Prime Minister himself. And I am very glad that the hon. the Prime Minister has admitted here, in his own statement, that