

would be shown live for varying periods of time are boxing, gymnastics, athletics, rowing cycling, equestrian, archery and yachting. Sixteen capsules of 60 minutes duration containing the highlights will also be shown. The first capsule was shown on 26th July, 1992. The recorded version of the league matches of the Indian hockey team will also be shown by Doordarshan. The first match between India and Germany was shown on 27th July, 1992.

Doordarshan have also deputed a four member team to cover these Olympic Games. This team will produce 30 minute capsules specifically highlighting the performance of the Indian participants in the games.

All India Radio: In addition to the running commentary of the opening ceremony broadcast on 25th July, 1992 All India Radio will provide similar running commentary in respect of the closing ceremony, the semi-finals of the hockey and the match for the bronze medal. All India Radio will also broadcast daily one 15 minutes capsule containing the highlights of each day.

In the order to facilitate the people and all who are interested to know the schedule, the schedule of Doordarshan programmes on Barcelona Olympics was published prominently in leading dailies in English, Hindi and other regional languages.

14.57 hrs.

DISCUSSION UNDER RULE 193

Scam Involving Operations In Government Securities running into thousands crores of rupees.

[English]

MR. DEPUTY SPEAKER: Now, we shall take up discussion under

Rule 193 on Securities Scam.

Dr. Debi Prosad Pal	Absent
Shri Murli Deora	Absent
Shri Mani Shankar Aiyar	Absent
Shri Prithviraj D. Chavan	Absent
Shri Digvijaya	Absent
Shri A. Charles	Absent
Shri Somnath Chatterjee	Absent

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): If Speakers from that side as well as this side are not present, it will not be correct to take up this 193 today for only half-an-hour. It is much better if this item is taken on Monday. This piecemeal discussion is O.K.

MR. DEPUTY SPEAKER: Somebody from Congress can start. Anybody who is ready.

THE MINISTER OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABIAZAD): If there is no speaker, why should we carry on this Business?

MR. DEPUTY SPEAKER: No, there are speakers.

[Translation]

SHRI SANKERSINH VAGHELA (Godhra): Mr. Deputy Speaker, Sir, a discussion was going on in the House on the bank scam but Shri Chandra Shekharji intereved in it and got it stopped. No one will forgive him. The time when the matter was hearing its climax he stoped it. Had the discussion been continued some thing spectacular must have come to light. More facts could have surfaces, but he did not allow the

Scam involving operations in

into thousands of crores of rupees

[Sh. Sankersinh Vaghela]

discussion to proceed further. As a result a decision in the matter has been further delayed by a week.

Sir, though you, I want to say that this scam is like a vicious circle which will drag more people into it and trap them. No one can escape from it. Mr. Finance Minister, you say that employee of the Reserve Bank of India is involved in it. You also say that no Minister is responsible for it. Close on the heels of your clean chit that no Minister is involved in it, comes the resignation of the hon. Minister of Commerce. Most probably some more resignations might follow suit. Under the circumstances how can you say that nobody is involved in this scam. Only two reports have come and both of these reports have exposed many loopholes. The third one is likely to come. I would like to request you to table the third report also. Many more scandals will come to light through this report and the people of the country will come to know about them. you have conducted raids on th Fairgrowth company only the day before yesterday.

15.00 hrs.

(SHRI TARA SINGH *in the Chair*)

There is no use of crying over split milk. What will be the use of raiding this company. I, therefore, want to ask some questions to you, Mr. Finance Minister. Harshad Mehta is only a tip of an iceberg. i want to ask as to how long will he kept under remand. have you ever thought of arresting any of your officers. is not the Governor of the reserve bank responsible for this? The supervision authority of the Reserve bank of India could furnish a report within 15 days time about the total amount of securities deposited so far. The scandal has been continuing for last so many months. What did the Reserve bank of India do? It remained inactive over the matter. you have also been the RBI Governor. Don't you know that it is your responsibility?

If somebody commits theft and he is caught, he is being applauded. So the theft was committed at you instance and they belong to your company. later on, you say that such and such persons should be apprehended. You know everything as to whom you are arresting. Even then you appointed mr. Janaki Raman, a Deputy Governor of the RBI as the Enquiry officer. How can a Deputy Governor write against the Governor. Had you made some other person as Chairman then many things would have come to light and some ex-Governor could also have been exposed. As such, a subordinate officer cannot write against his senior officer.

you are giving too much protection to the National Housing Bank. If somebody is to be held responsible for the bank scam, it is the Ministry of Finance and the RBI which should be put in the first place. it is the prime responsibility of the Prime Minister of this country also. For how long and how will you ot spare? you have shunted out Mr. Madhwan. I would not like to go into its details. It has been the recorded history and culture of the Congress party that whenever a scandal took place, the party did everthing to get rid of the right person from the scene. The party wants that there should be a scam of one or the other type. He was removed from Bofors investigation. When mistakenly, he was assigned the job of investigation in the bank scam he was pressurised to seek compulsory retirement. mr. Chairman, Sir, the work—"Supari" is being used in Bombay in Maharashtra by the Dawood gang against Madhwan and harshad Mehta. In view of this will you give them adequate protection? The gangsters of Dawood will kill Madhwan or Harshad Mehta whenever they get a chance as it was done in the case of Nagar wal involving bank money of Rs. 60 lakh. Therefore, you shoul dprovide adequate security to Harshad Mehta and Madhwan, other wise there are many bad characters in the countrywho will kill them. Politicians are also involved in it and are in collusion with the Dawood gang and the Bombay based mafia. our politicians have links with the Bombay

based people. As such security should be provided to them, otherwise anything could happen to them at any time.

Mr. Chairman, Sir, the four major foreign banks, viz the Citi Bank, the Standard Chartered Bank, the Bank of America and the Grindley's Bank are also involved in the 70 percent transactions of this scam. Out of it the Citi Bank and the bank of America account for 40 percent transactions. Therefore, what will be the utility of these banks in our country. Will they only earn profit or will there be some control over them by you.

You must think of the utility of the foreign banks in our country. An enquiry should be held against these banks also. If more than Rs. 10 thousand crore are involved in it who will share the loss? Will all the banks share it? Will you ask all the banks to cover the loss? It is the innocent who is accused. You have to reply to it. Mr. Harshad Mehta is not new in the trade. How much donation has been given by Mr. Harshad Mehta to Rajiv Gandhi Foundation. Who are the trustees of the Foundation. For what purpose they have taken Rs. 25 lakh as donation? The Reliance people have donated rupees one crore. Why did the Government accept it? Did the government accept the donation just to give protection? How will you bring him into the dock after taking a large amount of money as donation? You already know about the influence of money and how it works.

Not only that, Harshad Mehta came to Delhi before presentation of the Budget. Now Mr. Krishnamurthy has resigned. But our Finance Secretary was appointed through Mr. Krishnamurthy. All information relating to budget, perspective position of rupee and possibility of its convertibility was given to Mr. Harshad Mehta. The value of shares was increasing. The Government was happy. North Block was happy and credit was being given to the Industrial policy and budget for high rise in the value of shares. There are big cartal bull cartal and bear cartal in the stock exchange. The Bull cartal has entered into

the business. The Government would not come to know if the Bear Cartals had not exposed him. These things came to limelight through their mutual competition.

Therefore, I may inform the hon. Finance Minister, that the entire Finance Ministry, the Finance Secretary and the Commerce Secretary were involved in the scam. This way, Mr. Harshad Mehta had influenced the Government. Information regarding the Budget was leaked, but he could not get the information regarding the value of rupee in future. Under these circumstances, he entered into share business. He did business with the help of your money and the money of crores of poor people including the people of low status like peons etc.

There is maximum share business in Gujarat State also. I feel ashamed that our Gurajati people have been commission agents in the scam. Mr. Harshad Mehta has become scapegoat. Bank officials, Director and Chairman of the bank are responsible for making him a scapegoat. What is the criteria for selecting the Chairman of bank? What is the criteria for selecting the Chairman of bank? What are the guidelines to appoint a Director of the bank? Don't you examine the past history and political pressure while appointing people against these posts. Do you know about the integrity of the official? You appoint a Chairman after taking bribe. Although you know the integrity of a man is doubtful yet you appoint him as Chairman. You have appointed many such people as Chairmen and Directors whose past history was known to you. Later on you say that you are not aware of it.

Mr. Chairmen, Sir according to the Budget, he got only Rs. 490 crores as commission. How much money will be taken back from him out of this brokerage? How will the Government recover it? If you had collected his shares lying with him, at least the amount of interest would have been recovered. It means that it was your political obligation. The Government should express

[Sh. Sankersinh Yaghela (Godhra)]

it's concern over the stigma attached to it due to Mr. harshad Mehta and scam. TThe situations like lack of faith and doubtful integrity have been created about the economy of India throughout the world. henceforth no country will believe India. Today rupee has no value and our economy has no value. There was a great bungling due to minor mistake of adopting industrial policy and other policies. No country of the world wants to have dealings with India regarding import-export or about money matters. We have lost our credit. We have lost our credibility throughout the world.

Mr. Chairman, Sir, I have a list. I don't know the number of people mentioned in the list. In my opinion, copies of it have been circulated to all M.P.s.

[English]

The Ministers who are involved in the stock scam seandal are

(Interruptions)

SHRI RAMESH CHENNITHALA (Kot-yayam): Mr. Chairman, Sir, how can he mention these names? He has to substantiate the charges. He has to take the responsibility and prove it.

Sir, he has mentioned the names of certain Cabinet Minister and other Ministers...(Interruptions)

MR. CHAIRMAN: The names wil not go on record.

(Interruptions)

[Translation]

SHRI SHANKERSINGH VAGHELA: The list is with me. If you wish, I place it on the table of the Houst. (Interruptions) For the first time...after independence there is such a

scam...(Interruptions) The Prime Minister has assured us that the persons involved in the scam would not be spared...(Interruptions)

I would like to place a paper on the Table of the House...(Interruptions) There are so many names in the air but the Prime Minister says that he will not spare anybody. The third report which the Government has received may be laid on the Table of the House. He says, "I shall not spare". What does it mean. in Bofors case also he used to say that he would not spare anybody...(Interruptions) He has lost his memory. What is his method? The hon. Prime Minister says that his Minister of External Affairs does not know who has given him this letter. Please announce the name...(Interruptions) You have said that the contry would forgive me if I was involved in the scam. You cannot prolong it. How long would you save yourself. Mr. harshad Mehta was raided the day budget was presented. The same day, he was being interviewed about the budget by our door-darshan. Expect Harshad Mehta why other could not be approached for interview. What was recovered during raid? Nothing, no documents no bundles of security papers were recovered during raid on 27th march. Nothing was recovered from the house of the person involved in the scam of Rs. 4000 crore. it was the only raid. Has anybody in India ever written a cheque for an amount of Rs. 126 crore? Where from has he gained this large amount of money? Why an enquiry was not conducted to knew it? You are worried only about mr. Janakriraman, and Mr. Venkataraman. You should not worry about them. All these people, including Chairmen of banks and officials of Reserve Bank who wrę involved in the scam should be brought into the dock. The Government has caught one culprit. But there are so many people involved in the cam. You have caught Mr. Narottn Shah, who belonged to Daud gang. Please let me know whre is Narottam Shah...(Interruptions) He must have been the partner of Harshad Mehta. Our Government has not expressed any concern about something which should have

been considered so far... (Interruptions) I would like to request the Minister of Finance not to issue a certificate to the. In spite of your announcement, Mr. Chidambaram and Mr. Krishnamurthy were found involved in the scam. When Mr. Krishnamurthy was appointed a member of Planning Commission, you were not aware about his past history.

It has been published in many more newspapers today. There has been a raid in Bangalore today, what does the Government want to prove by conducting this raid after so long time. The Government should lay its third report on the table and should explain to the world as to how it is leading the country towards economic prosperity or it should accept the responsibility for the shortcomings and should declare that it would not be repeated in future. The hon. Minister is also responsible for it. It has been discussed here that anything could be known only after the submission of the report or after constituting of the Joint Parliamentary Committee. But it would be better if the government makes an announcement in advance. I would like to say about the joint Parliamentary Committee that it should not waste time by lingering on the case. Grace and glamour of the whole thing will fade. If it is possible, you should consult the Hon. Prime Minister about the Joint Inquiry Committee. But it would be better if the Government makes an announcement in advance. I would like to say about the Joint Parliamentary Committee that it should not waste time by lingering on the case. Grace and glamour of the whole thing will fade. If it is possible, you should consult the Hon. Prime Minister about joint Inquiry Committee and should suggest to elect Chairman from the opposition parties who are not supporting your Government. I may, however, be excused for making such a statement I know, the A.I.D.M.K., Tigu Desham, Janata Dal and Shiv Sena are all opposition parties but they are all your supporters.

[English]

Vikash means an Opposition party and

it should be an Opposition party in real sense.

[Translation]

The Chairman should be from one of the opposition parties. There should be time bound programme and it should be implemented. Besides, cases of bungling of more than one thousand crore rupees in public undertakings like O.N.G.C. have come to light. Officials of Public undertakings have earned profits in the scam while money was being deposited in bank on the 31st March which is the last month of the fiscal year. They are not only the recipients of the commissions given by the companies, rather, I may be excused, the officials do also charge their own commission for giving money to be deposited in the Banks. For that the bank officials give money on the interest rate of two percent. From where do they provide money and from where do they get. It is so big a scam that concerns several crores unaccounted money. It can be assessed through this angle. I have a list of the Chief Ministers of four to five States who are also reportedly involved. It actually involves half of the cabinet and a large number of officials. The country has been made bankrupt. If you do not express your anxiety even on such a big scam how the Public will forgive you. You have been dealing with financial matters throughout your life. At one time you had been an advisor to Shrimati Indira Gandhi. You have been on such good posts. So if you do not do anything who else will do. The hon. Minister has never been a politician, he has never been an active member of the Congress Party. He should save the economy. He can help the hon. Prime Minister who is in an embarrassing position. Nobody else will have as much information as the hon. Minister has. He should be concerned about that and he should also remove the Bank officials. Arresting a Harshad Mehta and a handful others will not do, actually all those who are responsible should be arrested and remanded. The Minister simply ordered the officials to go on leave and he thought that it was all. They went on leave with crores of

[Sh. Sankersinh Yaghela (Godhra)]

"Yatha Raja Tatha Praja

rupees and enjoying. All the concerned official should be taken into custody like Harshad Mehta and they should be remanded.

and

Yatha Praja Tatha Raja"

You should not try to protect the officials of the National Housing Bank and the Reserve bank. Undue protection should also not be given to the employees of the Finance Department. There is need of framing a good policy to run the country properly. This will ensure credibility of the public and of the foreign countries in us. People will then know that how and why Harshad Mehta and others have been arrested. he is a responsible man and he is at the help of affairs. Things are happening under his nose only. He should try to know the reason. He is also responsible for all that what is going on. He should therefore raise himself above these things and should assure the country and the world that what has happened will not be repeated. he should assure to provide a right direction to the country and should also assure to clean the economic system.

It is inter-linked. If the 'Raja' is not good, the people also will follow suit. if the people are not good, if they are not electing the correct persons, the political system-the Assemblies and Parliament-is polluted. Therefore, the origin starts there.

I submit that it is not a scam which has started one year ago or some time ago. It is accumulated over several years. our Indian people-bureaucrats, politicians etc., have deposited not less than 60,000-70,000 crores in Swiss banks. I do not want to go into those details now. only want to bring a few facts to the notice of this august House.

The people of this country have got trust and faith in Dr. Manmohan Singh's ability, sincerity and efficiency. I hope that he will keep it up.

With these words I conclude my speech and I fear that the cases of Harshad Mehta and Madhawan may take the shape of Nagarwala case and there may be a repetition of it.

Actually speaking, in the normal course, investment in the trade of buying and selling shares is not a mistake. Anybody can invest in this and purchase shares. Even Ministers, M.Ps. or bureaucrats-anybody who has got money can invest. There is nothing wrong also. I submit that if Shri Harshad Mehta came and met our Opposition Members or somebody else and offers shares what will they do? if shares are offered at Rs. 10 what will they do? In that way, with confidence and faith in him, Shri Chidambaram might have given a cheque for Rs.2 lakhs to purchase of shares. it is good to that extent. It is all right.

[English]

SHRI K.P. REDDAIAH YADAV (Machilipatnam): Mr. Chairman, Sir, I thank you for giving me the opportunity to express my views.

But how the manipulators, brokers, political brokers and power brokers managed them later and what they have done are things to be analysed by us. He has given some shares to M.Ps., Ministers, bureaucrats etc. O.K. There is nothing wrong. But afterwards he has managed the banking system to help him.

The whole country is very much eager to know the outcome of the scam. It is agitating the minds of the millions of the people of this country. I submit that personally I have no grudge against any person in this House. I want to present a few facts before this hon. House.

Sir, it is said:

I want to know how a cheque in other person's name has been credited in Harshad mehta's account. This is the serious thing. This is the thing where Ministers, bureaucrats are involved. Or else, how can a cheque in the name of UCO Bank or ANZ Grindlays Bank or some other bank be credited in Harshad Mehta's account? Their backing must be there. Their support to him is likely to be there. This aspect has to be looked into.

So many issues come up in this respect. It is not the issue as to who is involved in this. Everybody is involved here. I think so many names will come up in the inquiry. It will be no wonder if the names of Chief Ministers from Opposition parties also figure in the list—that is what I heard. I think even some of them are involved. It is no secret.

I want to narrate to this House as to the whole system has become what it is today in the country. During Pandit Jawaharlal Nehru's time, every political party needed some assistance or money for conducting elections etc. At that time, big industrial people used to give donations. After that, degradation of the political standards have come thereby, the bureaucracy has taken the upper hand. You will be surprised to hear that some of the senior IAS officers are getting tickets in some parties to their own henchmen and these IAS officers are getting their candidates nominated for the post of Ministers or Chief Minister. This is how the political system is working in the country. Some bureaucrats are keeping some MPs and MLAs under them and making them Ministers and they have now come upto the Chief Minister. Some poor Minister might have purchased some shares. It does not matter, but what about the linkage between the bureaucracy and the political system?

I know that some of the Ministers are getting instructions from the senior IAS officers. It is like that not only in Delhi it is there in Andhra Pradesh also and thereby the whole administrative system has gone to dogs. Now, we ourselves are unnecessarily

getting degraded. Just now, we have heard Shri Sharad Pawar's case. Is it not the duty of the Revenue Secretary or the Finance Secretary to bring that nothing into the notice of the then Chief Minister? Therefore, all of a sudden, we cannot say that the Ministers are alone responsible or the bureaucrats alone are responsible. If you go to any bank officer, he will a lengthy list of questions for sanctioning a loan of Rs. 10,000/-. Take the bio-data of 100 bank officers who are involved in this and see the cases where there are no money transactions. You will see that he would have written about 100 queries for sanctioning a loan to an industry or for a hotel or for a hospital. Do not think they are unaware of all these things. It is clear now that the bank officers and IAS officers are involved. Why should we blame this Government? All the newspapers are saying that it had started during Mr. V.P. Singh's Government, during Mr. Chandra Shekhar's Government and it is continuing now. It is not the question of only one political party, but the entire political system in the country has been completely degraded to the extent that the Ministers are depending and getting instructions from the IAS officers or from CMDs, because the persons who are elected to this House have got no background.

Sir, earlier, during the time of Pandit Jawaharlal Nehru, Puthalappalli Sundarai, Jyoti Basu and Atal Bihari Vajpayeeji, when their disciple is an honest man and a man with credibility and integrity, they used to be very happy.

Now, unless the disciple of the present leader is completely third-graded, man, unless he is completely a corrupt man, unless he is an anti-social element, the leader will not make him an MP or MLA. What I say is, the present political system is wrong. Let the national leaders put their mind and heart to make a search. (Interruptions)

Is there any leader who is giving a lift to a person in the Congress Party or BJP unless he is an anti-social element? How

[Sh. Sankersinh Yaghela (Godhra)]

15.32 hrs. 1/2 hrs.

can you produce a good Minister? Out of the stuff only, the Prime Minister has to select the Ministers. Where are the good Ministers like Pandit Jawaharlal Nehru and Sardar Vallabhai Patel?

~~MR. CHAIRMAN:~~ Mr. Yadav you can continue next time.

Now we take the Private Members Business.

Shri Amar Roypradhan.

15.32 hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

Twelfth and Thirteenth Reports

[English]

SHRI AMAR ROYPRADHAN (Cooch Behar): I beg to move:

"That this House do agree with the Twelfth and Thirteenth Reports of the Committee on Private Members' Bills and Resolutions presented to the House on the 29th July, 1992."

MR. CHAIRMAN: The question is:

"That this House do agree with the Twelfth and Thirteenth Reports of the Committee on Private Members' Bills and Resolutions presented to the House on the 29th July, 1992."

The motion was adopted.

MR. CHAIRMAN: Shri Rup Chand pal may continue his speech on his Resolution.

RESOLUTION RE REVIEW OF DISIN- VESTMENT POLICY-CONTD

[English]

SHRI RUP CHAND PAL (Hoogly): Sir, while moving the Resolution, what I tried to impress upon the Government was, that the Government has no authority to disinvest the shares of the public sector because neither in the manifesto of the Congress Party nor in the reports of any committee, for that matter there has ever been mention about it. The Government is selling the property of the nation without having any reference to such action to the people.

So I have said that the people will not tolerate the *male fide* action of the Government.

Second point that I wanted to make was regarding the *modus operandi* had the shares for disinvestment were under-priced. The book value of the shares were taken into consideration and I had given some examples. The paid up capital of Bharat Heavy Electrical Ltd., was to the tune of Rs. 240 crores. but the replacement cost is about Rs. 25,000 crores. So also in the case of five public undertakings in the oil sector, namely Bharat Petroleum Limited, Hindustan Petroleum Limited, Madras Refineries, Cochin Refineries and Bongaigaon Refineries, I wanted to impress upon the Government that those shares were under-priced. The whole deal was made under the veil of secrecy, in the name of disinvesting the shares a manipulation had been made and it was a bonanza, almost a free gift to new purchases.

I have already made it clear how the reserves of Bharat Petroleum and others have been handed over these resources are to the tune of hundreds of crores of rupees. They were given as free gift to the people who had purchased the shares.