

[Shrimati Indira Gandhi]

treat the constituents of the bank. I hope that all individual employees of these banks and their associations will now help in the successful implementation of the step which has been taken. (SHRI N. DANDEKER: And go on strike.)

The Ordinance provides for a scheme of fair compensation for the take-over in accordance with a formula which Parliament approved recently, while enacting the Banking Laws (Amendment) Act, 1968. The Ordinance provides that compensation will be payable in the form of Government securities.

In order to cause the least possible dislocation in the working of the banks covered by the Ordinance, and to avoid inconvenience to the public, it is proposed, for the present, to retain the identity of each bank in the form of a new corporation. The Chief Executive of each bank is now the custodian of the unit concerned on behalf of the Central Government, and will be subject to its control and direction. The old Board of Directors in each case stands dissolved, and the Ordinance vests the Government with the power to set up Advisory Boards in their place. These are interim measures. Changes in the structure of management may also be necessary; these will be undertaken after the most careful consideration. The Ordinance provides for such changes to be made.

As in other matters of policy, Government have been guided in taking the present decision entirely by national interests, and the needs and aspirations of our people. The establishment of a socialist society is one of our declared goals, but we have not been guided by any doctrinaire considerations. Our sole concern has been to accelerate development and thus make a significant impact on the problems of poverty and unemployment, and to bring about progressive reduction of disparities between the rich and the poor sections of our people, and between the relatively advanced and backward areas of our country.

I realise that the test of the decision is in its effective implementation. Government are determined to take all possible step to make this measure a success.

I should like to take this opportunity, Sir, to appeal to all sections of this House to extend their valuable cooperation in the purposeful implementation of this important measure.

SHRI KANWAR LAL GUPTA: *rose*—

SHRI PILOO MODY: I have some questions.

MR. DEPUTY-SPEAKER: No, not at this stage.

14.25 hrs.

✓ STATEMENTS RE RESIGNATION OF THE DEPUTY PRIME MINISTER

SHRI MORARJI DESAI (Surat): Mr. Deputy Speaker, Sir, I am grateful for the opportunity that you have given me to make a statement on my resignation from the Council of Ministers.

SHRI S. A. DANGE (Bombay central south): Is such a statement necessary? Why should it be made? We know it.

MR. DEPUTY SPEAKER: It is permitted under the rules.

✓ SHRI MORARJI DESAI: I consider it rather unfortunate that I should have to appear before this House to explain why I resigned as it involves the question of relationship between me and the Prime Minister.

✓ I came to the conclusion that I can no longer serve in the present Council of Ministers except at the cost of my self-respect and except as a silent spectator to methods that may endanger the basic principles of democracy on which our parliamentary system is established. I came to this conclusion because I was summarily relieved of the Finance portfolio without even the ordinary courtesy of a prior discussion on this matter being shown to me by the Prime Minister.

After the Fourth General Election, the Congress Party chose its leader. She then asked me to join her Cabinet as Deputy Prime Minister and Finance Minister. Even

though I did not want to join the Cabinet, I did so at her own request and on the pressing advice of many colleagues and friends. It was again she herself who insisted that I should take up the Finance portfolio even though I did not want to do so.

**SHRI S. A. DANGE:** You laid the precondition for joining. It is a false statement.

**SHRI MORARJI DESAI:** During the period of over two years I have tried conscientiously to perform my duty as Finance Minister and to pursue and implement the policies that the party and the Cabinet formulated from time to time. The Prime Minister has not pointed out to me a single instance where I have not done so.

I have never believed in saying one thing and doing another. It is an accepted principle of democracy that every man has a right to think and express his views freely and frankly and that every decision must be arrived at after full and frank discussion. It is this right of full and frank discussion that is the basis of the duty cast on every democratic person to stand by the decision unequivocally and to implement it conscientiously. Holding this belief as I do, I have always considered it to be my duty to be bound by every decision that has been democratically taken and I have never accepted such decisions with any reservations. I would ask anyone to show if I have ever shown any reservation in either defending a decision or implementing it once it was taken. Any one who cares to look at my 39 years of public life, in the organisation, in the State legislature and Cabinet, in the Parliament and the Central Cabinet, will agree that this has been my record.

I was therefore greatly surprised and pained when soon after my return from Bangalore, I received a letter from the Prime Minister on the 16th instant informing me that as she believed that I had strong reservations about some of the basic issues that arise and that I had my own views about the direction and pace of the change and that she did not want to put an unfair burden on me in implementing these decisions taken at Bangalore, she had decided to take the Finance portfolio herself. After I saw

the letter and the notification issued by the President, I found that I was asked only for the sake of form to continue as Deputy Prime Minister.

It is well known that the resolution on economic policy adopted by the AICC at Bangalore was moved by me at the instance of the Working Committee. I moved that resolution without any reservation and I made it abundantly clear when I moved it and later when I replied to the debate on this resolution. If I accept to do a thing, I do it conscientiously and with all my heart. I believe this is known to everybody including the Prime Minister. If, in spite of this, the Prime Minister came to the conclusion that I may not implement the decisions, it only means that she had not that confidence in my sincerity of action. The reservations to which the Prime Minister has referred may be due to the fact that in discussions preceding a decision in the Cabinet or in the Working Committee, I may have put the pros and cons of a proposition forcefully and frankly because I have believed that it is the duty of every person taking part in the process of arriving at decisions, to express his views before a decision is taken and not subsequent to it. If these arguments are taken as reservations and the person concerned is to be penalised for them, it will only lead to a condition where people will not give their views fully and frankly. This will pose the greatest danger to the very functioning of democracy. If I were to accept this position, I would be doing injustice to my faith in democracy and would be failing in my duty.

I may be permitted to recall that I have been privileged to work as Chief Minister of Bombay State for quite some years and in the Central Council of Ministers for more than nine years, first under the leadership of the late Pandit Jawaharlal Nehru and then under the present Prime Minister. During all these years I have left nothing undone to see that the policies of the Party and the decisions of the Cabinet are carried out fully and effectively and also to defend them in legislatures or outside even when they pertained to matters for which others were responsible. Even in spite of my cooperation with the Prime Minister throughout the last two years in the implementation

[Shri Morarji Desai]

without any reservation of all the decisions that have been taken collectively or individually, if the Prime Minister now shows want of confidence in me, it would be futile for me to remain in the Cabinet and expect to make any useful contribution.

This was not the only reason for my resignation. I have been so summarily relieved of the Finance portfolio that I felt it an act of disgrace and my self-respect was deeply hurt. When I had discussions with the Prime Minister at her request on the 18th, I requested her to put herself in my position and to tell me what would have been her reaction. I told her that if she could realise that wrong was done to me, then it should be rectified. She was not prepared to undo the wrong. I had therefore no alternative left but to resign in order to uphold my self-respect.

Before I conclude I would like to refer to the unfortunate fact that over the last several months deliberate attempts have been made by several interested people to create an impression that I was opposed to rapid socio-economic changes and radical measures to eradicate poverty and inequality of human status in our great country. These people probably do not know that I come from a very poor family. I grew up in poverty. I know, as very few these people know, what pangs of poverty are and how opportunities for growth and expression are denied to millions of our poor people. I have therefore always considered it my duty to fight poverty everywhere and of every kind and all forms of inequality and vested interests which create that poverty which is not only economic but also social as well. I have from my young age subscribed to Gandhiji's dictum that every interest which is in conflict with the interest of the down-trodden or the DARIDRANARAYAN as Gandhiji used to call them, should be checked and Government must use its authority to ensure that poverty and inequality of status are eliminated. I however hold that these changes cannot be achieved as if by magic or in a very short time. Success in this direction can only result from persistent and collective efforts both through Government and society. It has been my endeavour to do this throughout my life. My conscience is

clear and I am not worried by the attempts of those who try to malign me out of ignorance or prejudice.

If I had agreed to remain in the Cabinet as Deputy Prime Minister even with the addition of some duties which the Prime Minister may be pleased to assign to me after the summary treatment meted out to me, it would have been dishonourable for me and it would have proved I was only hankering after office. I hope and trust that the House will see the correctness of my action.

Finally, I would like, with your permission, Sir, to place on the Table of the House the correspondence I have had with the Prime Minister in this behalf, so that the House may have the facts on its record. [Placed in Library. See No. LT—1230/69].

श्री मधुलिमये (मुंगेर) उपाध्यक्ष महोदय...

MR. DEPUTY-SPEAKER: No questions are permitted... (Interruptions.)

SHRIMATI TARKESHWARI SINHA : (Barh) : Are they joining the Congress Government and the Congress Party? I do not know who had extended them an invitation... (Interruptions)

श्री मधुलिमये : मैं इन से सवाल नहीं पूछ रहा हूँ। आप से मैं निवेदन करने जा रहा हूँ। भूतपूर्व उप-प्रधान मंत्री ने अपने वक्तव्य में लोकतंत्र के सिद्धान्त, संसदीय कार्य-प्रणाली और मंत्रिमंडल का ढाँचा, इनके बारे में कुछ बुनियादी सवाल उपस्थित किये हैं। इस सदन को इन सिद्धान्तों पर विचार करने का मौका, चर्चा करने का मौका मिलना चाहिये (इंटरफ़ॉज) इन्होंने जो बुनियादी सवाल उठाये हैं वो सकता है कि उनमें से कुछ सवालों के बारे में हम उनसे सहमत न हों। लेकिन फिर भी यह सिद्धान्त की लड़ाई अगर है तो इस पर विचार करने का मौका हमें मिलना चाहिये। मैंने इसके बारे में नोटिस भी दिया है।

श्री अटल बिहारी वाजपेयी (बलरामपुर) : मैंने भी नोटिस दिया है। हम भी श्री मोरारजी देसाई के वक्तव्य पर अविलम्ब चर्चा चाहते हैं।

MR. DEPUTY-SPEAKER : You will get an opportunity if you follow the procedure and approach properly.

SOME HON. MEMBERS *rose*—

SHRI NATH PAI (Rajapur) : If you see rule 199, you will not waste the time of the House. The rule is clear.

MR. DEPUTY-SPEAKER : I know. He has already written to me.

Now, the hon. Prime Minister.

THE PRIME MINISTER, MINISTER OF FINANCE, MINISTER OF ATOMIC ENERGY AND MINISTER OF PLANNING (SHRIMATI INDIRA GANDHI) : Mr. Deputy-Speaker, Sir, it is with sincere regret that I rise to make this statement. If I may also add, I thought some sounds and remarks which came from some Opposition Members were in bad taste on this occasion.

It has been my privilege to know Shri Morarji Desai for many years. Throughout this long period, our personal relations have been of cordiality and understanding. During our association with Government for the last two years and a half, I have always valued his advice and wise counsel and have particularly appreciated the candour with which he has expressed himself on every issue. We may not always have shared the same views, assessment or approach, but I have always sought his advice and frank opinion, as I have done with my other colleagues in Government. I therefore deeply regret that he should even think of anyone being "penalised" for his views.

In my replies to Shri Desai's letters, copies of which he has laid on the Table of the House, and also in the course of my discussions with him, I have explained at some length the circumstances in which I took the decision to take personal charge of the finance portfolio. There has never been any question about his "loyalty" or sincerity of action; nor of his willingness to implement a decision once it was taken." Shri Desai is well known for his strong sense of discipline.

The question was not simply of faithfully implementing agreed decisions. As is well known, and as Shri Desai was good enough to indicate himself, he had his own definite views in regard to the economic policies which are in question. In the course of frank debate on such vital issues, each one of them comes to be identified in the public mind with certain basic approaches and attitudes. The new orientation of policy which we discussed at our party meeting in Bangalore was based on a note which I had ventured to place before it and which the party was pleased to endorse not only marked a significant phase in the implementation of our declared socialist objectives, but called for vital new measures which have since been initiated. It was in this background that I felt, in utmost sincerity, that I should take upon myself the responsibility of the Finance Ministry which is intimately and directly involved with the process of implementation.

Thus, the only question was of a change of the finance portfolio. I know that Shri Desai has always upheld the well-accepted conventions of the parliamentary system. When I decided upon the change of portfolio I first wrote to Shri Desai explaining the decision. Thereafter, I wrote to the President. The question of Shri Desai's dissociation from Government was not in my mind. In fact, I indicated in the very first letter to him that I looked forward to his continued association as Deputy Prime Minister, and suggested to him that we discuss the detailed arrangements. However, before we could meet for this purpose, Shri Desai wrote to me expressing his desire to resign.

Mr Deputy-Speaker, it is not at all my intention to join issue with Shri Desai over this unhappy episode. I should like to assure Shri Desai and this hon. House that his resignation has been a matter of deep regret to me. Shri Desai has been a stalwart of the generation which brought freedom to this country. He has rendered long and distinguished public service since Independence. I have naturally the greatest respect and regard for him. I should like to take this opportunity to thank him once again for his valuable advice and help in Government, and also for his gracious assurance that I may look forward to his continued

[Shrimati Indira Gandhi]

co-operation in the important tasks before us.

14.40 hrs.

**ENLARGEMENT OF THE APPELLATE (CRIMINAL) JURISDICTION OF THE SUPREME-COURT BILL**

**Extension of Time for Presentation of  
[Report of Select Committee**

**SHRI SHRI CHAND GOYAL (Chandigarh);** Sir, I beg to move:

"That this House do extend the time appointed for the presentation of the Report of the Select Committee on the Bill to enlarge the appellate jurisdiction of the Supreme Court in regard to criminal matters upto the first day of next session."

**MR. DEPUTY-SPEAKER:** The question is:

"That this House do extend the time appointed for the presentation of the Report of the Select Committee on the Bill to enlarge the appellate jurisdiction of the Supreme Court in regard to criminal matters upto the first day of the next session,"

*The motion was adopted*

14.41 hrs.

**OIL-FIELDS (REGULATION AND DEVELOPMENT) AMENDMENT BILL.\***

**THE MINISTER OF PETROLEUM & CHEMICALS AND MINES & METALS (DR. TRIGUNA SEN):** Sir, I beg to move for leave to introduce a Bill further to amend the Oil-fields (Regulation and Development) Act, 1948,

**MR. DEPUTY-SPEAKER:** Shri Shiv Chandra Jha has written to me that he wants to oppose the introduction of this Bill.

**श्री शिवचन्द्र झा (मधुबनी) :** उपाध्यक्ष महोदय, मैं इस आयलफील्ड्स (रेगुलेशन एंड

डेवेलपमेंट) एमेंडमेंट बिल, 1969 के इंट्रोडक्शन का विरोध करता हूँ। आप चाहेंगे कि मैं संविधान के प्राविज्ञान के मुताबिक इसका विरोध करूँ। मैं आपका ध्यान संविधान की यूनियन लिस्ट की एन्ट्री 53 और 54 की ओर दिलाना चाहता हूँ। एन्ट्री 53 में कहा गया है :

"Regulation and development of oil fields and mineral oil resources; petroleum and petroleum products; other liquids and substances declared by Parliament by law to be dangerously inflammable."

एन्ट्री 54 में कहा गया है :

"Regulation of mines and mineral development to the extent to which such regulation and development under the control of the Union is declared by Parliament by law to be expedient in the public interest."

इन दोनों एन्ट्रीज़ के मुताबिक सब आयल फ़ील्ड्स और माइन्स पर केन्द्रीय सरकार का कब्जा है और उनके नियमन और विकास की जिम्मेदारी भी उसी के ऊपर है। लेकिन जैसाकि आप जानते हैं, ये आयल फ़ील्ड्स और माइन्स अब भी प्राइवेट सेक्टर के मातहत हैं। यह स्थिति हमारे संविधान के प्रीएम्बल में दिये गये समाज कल्याण के लक्ष्य के खिलाफ़ है, जिसको आज प्रधान मंत्री ने दोहराया है। इसीलिए मैं निवेदन करना चाहता हूँ कि यह विधेयक हमारे संविधान के एक मुख्य आदर्श के मुताबिक नहीं हैं, बल्कि यह उसकी लिप सर्विस के रूप में है और वास्तव में यह टिकरिंग विद दी प्राबलम है।

मैं चाहता हूँ कि सरकार इस विधेयक को वापस ले ले और आयल फ़ील्ड्स और माइन्स को नेशनलाइज़ करने के लिए एक विधेयक लाये। ऐसा करने पर ही माइन्स, मिनरल्स और उसके साथ-साथ तेल का सही रूप में रेगुलेशन और विकास होगा, देश की अर्थ-व्यवस्था में उनका योगदान होगा और समाज-कल्याण के उद्देश्य