

12.05 hrs.

PAPERS LAID ON THE TABLE
NOTIFICATION UNDER COFFEE ACT, 1942

The Minister of International Trade (Shri Manubhai Shah): I beg to lay on the Table a copy of the Coffee (Amendment Rules, 1964 published in Notification No. G.S.R. 557 dated the 4th April, 1964 under sub-section (3) of section 48 of the Coffee Act, 1942. [Placed Library, See No. LT-2736/64].

ARTICLES OF ASSOCIATION AND MEMORANDUM OF ASSOCIATION OF INSTRUMENTATION LIMITED

The Minister of Industry (Shri Kanungo): I beg to lay on the Table—

- (i) a copy each of the Articles of Association and Memorandum of Association of Instrumentation Limited [Placed in Library, see No. LT-2737/64].
- (ii) a copy of Annual Report of the Khadi and Village Industries Commission for the year 1962-63. (Placed in Library See No. LT-2738/64).

12.06 hrs.

STATEMENT RE. GRANT OF LICENCE TO SUNDARAM AND COMPANY FOR MANUFACTURE OF SEWING MACHINE PARTS

The Minister of Finance (Shri T. T. Krishnamachari): References were made to me whilst Shri S. M. Banerjee spoke on 1st April 1964 on the demands for grants of the Departments of Supply and Technical Development. (This matter was highlighted in the front page of the Hindstan Times of 2nd April 1964.) I am afraid these references contain insinuations which have to be met.

The facts as stated by the Honourable Member are not correct. He

said that a certain firm by the name of Sundaram & Co., were given a licence for the manufacture of sewing machine parts and this was mooted through the Ministry of Economic & Defence Coordination when I was in charge of that Ministry and when Shri S. Bhoothalingam was Secretary in that Ministry at the time. I was not aware of any such proposal being mooted through the Ministry of Economic & Defence Coordination nor subsequently the Department of Coordination of the Ministry of Finance having anything to do with the licensing of the manufacture of sewing machine parts. On hearing the allegation made by the Honourable Member, I made enquiries and I found that to a reference made to the Ministry of Economic & Defence Coordination by the Ministry of Industry, Shri Bhoothalingam had said that the case should be referred to the Industrial Licensing Committee. At that time, the Development Wing, or the Directorate-General of Technical Development as it came to be known, was in the Ministry of Economic & Defence Coordination.

The insinuation was that I took particular interest in this matter. This is a matter which is dealt with essentially by the Ministry of Industry, in consultation with other Ministries, and sometimes with the Planning Commission. The reference to the Ministry of Finance in matters like this is made when there is a foreign collaborator involved. I understand there have been previous references to the Finance Ministry about similar proposals.

It is in connection with foreign participation that this file came to the Ministry of Finance. It is not a very important matter and normally the Finance Minister does not deal with this at his level; but I understood that the former Finance Minister had decided that his personal orders should be taken in this particular case which involved collabora-

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tion with a particular American party. Hence it was put up to me with a note from the Department of Economic Affairs, recommending the proposal sent to it by the Ministry of Industry. When the file came to me on 24-12-1963, I had noted, *inter alia*:

"But I feel I should not take any decision on this file because the Indian participants of Singers happen to belong to a family with which I have close ties of friendship. I would therefore suggest to Secretary EAD (Economic Affairs Deptt) to refer this matter to the Prime Minister and request him to refer this file to some other Minister for orders."

I had no further knowledge of what happened to this matter. When I saw the allegations made by the Honourable Member I called for the file and I found that the Department of Economic Affairs had put up a note for the Prime Minister and passed it to the Cabinet Secretary on 30-12-1963. The Cabinet Secretary had asked for the connected files on 31-12-1963 and in 1-1-1964 the Cabinet Secretary had noted to the Prime Minister. The Prime Minister had disposed of this file on 1-1-1964, approving of the proposal as recommended by the Ministry of Industry.

In the face of these facts I hope the House will recognise that the allegations made by the Honourable Member, Shri Banerjee, either against me or against Shri Bhoothalingam are not borne out by facts. I hope the House will not mind my underlining the fact that I declined to take a decision in the matter and wanted it to be submitted to the Prime Minister.

The position of Ministers is extremely difficult normally but if such allegations are made which are not true and they gain currency it brings

Government into contempt and damages the reputation of the individual Minister. I had brought this matter to the notice of the Speaker on the 2nd of April, 1964.

I seek the guidance of the Speaker and of the House as to how to deal with matters of this nature and what remedy would there be to the persons affected if charges of this nature are made without substance and without verification.

Shri S. M. Banerjee (Kanpur): Sir, on 1st April, 1964 I made this speech. I did not say anything against the Finance Minister personally. I said that this was a deal which, according to me was a shady deal, and my information was—I spoke subject to correction—that the particular licence was rejected by the ex Finance Minister, and this particular item on which the licence was granted was not considered to be an item on the priority list. This was mooted through Shri Boothalingam who was then Secretary of the particular department only to give preference to this particular firm. I never wanted to insinuate anybody. I only wanted a fair enquiry into the whole affair, as to why in this particular case a deviation was made from the regular procedure. Why did it go to that Ministry at all? If the hon. Minister feels that I have made insinuations against him, I must say I have made none. I did not impute any motives to him. Why was this deal referred to the Prime Minister at all? Let the House take a decision. I am aware of my responsibility. I did not say anything which was basically wrong. I simply wanted an information. If the Members are gagged even when they ask for that because the Finance Minister does not like, what can we do. It may be true that he was not responsible. He was not responsible even in the Mundhra deal directly.

Mr. Speaker: Order, order. That is not the question here. It is expected of the Members that they should just inform themselves of the facts that are there. If insinuations are made, even indirectly, then the reputation of the Government and of the Minister is affected. Therefore, hon. Members should be careful here (*Interruption*). Order, order. I conveyed this to him and requested him to see me. He expressed the desire that he would directly see me. But he never came.

Shri S. M. Banerjee: I came thrice to see you. I am always available.

Mr. Speaker: May I know whether other hon. Members also have this complaint that I am not there when they want to see me. I am always there. I spend so much of my time in my office. Any time hon. Members can come and see me. I am very sorry that he came three times and I was not there.

Shri S. M. Banerjee: I am always available.

Mr. Speaker: He is always available and I am not available. I have been waiting for the hon. Member. I wanted him just to take this trouble and come to me so that we might discuss it. Then he might have explained it to me. I waited for so many days, and somehow I could not have that opportunity of talking to him. Then I allowed the Minister to make this statement.

The Minister wants that I should give him guidance. There is no need of my giving any fresh guidance. The position is very clear, that the Members should first make an enquiry into the facts before making any insinuation, might even indirectly produce that result. Therefore it is now clear that the Minister, as soon

as the papers were received by him, put it down by a note on that that the main applicant was connected with a family with which the Minister had friendly relations and, therefore, the papers may be sent for the orders of the Prime Minister. If these facts had been known to the hon. Member himself or he had tried to make himself familiar with them, then probably he would not have made that statement. Because there is freedom of speech, of course, hon. Members can make any statement here. But if they are in doubt and if they want to know certain facts, my request to them is that they might write to the Minister and first find out those facts. If the information that is supplied to them does not satisfy them, they have reasonable grounds of making any allegations, insinuations or any statement which might indirectly also produce that result. They are justified in doing that and I would not prevent them. They can make that statement. But some effort should be made to verify the facts before such a statement is made.

Shrimati Renu Chakravartty (Barrackpore): Sir, I would like to ask one thing. One point has not been clarified, and we do not know all the details. Here, something that was on the non-priority list is considered important enough for the Minister of Finance to forward to the Prime Minister. What is the reason for that? He should have outright said that it was on the non-priority list. Why should worry the Prime Minister for this? This is what we are not able to understand.

Shri T. T. Krishnamachari: I am afraid, the hon. friend there who is extremely intelligent tries to give a twist. As a matter of fact, I am not concerned whether anything is in a priority list or not. The file comes to me and I say, "I will not take a de-

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cision on it". Therefore, I sent it to the Prime Minister. Now she seeks to import some further insinuations in it. Of course, she is very clever; but I think, the House should see through the game.

Shrimati Renu Chakravartty: What is the cleverness?

Shri Ranga (Chittoor): The hon. Minister said that to be a Minister is a very difficult job and to have to discharge their responsibility it is very difficult and an onerous task. So, is the position of the Member of this House. I do not know the details of that particular incident about which or out of which this statement of the hon. Minister has arisen. But one thing is clear. I dare say, you remember that there was a controversy between one Minister on that side, who is no longer a Minister, and one or two Members on this side. There were challenges also saying, "Are you prepared to resign if my facts are correct?" The other man also retaliated in the same fashion and in the end we know the result. Actually, that particular Member was courageous enough to insist upon an inquiry and a kind of an inquiry was made. A reference was also made to the Attorney-General and in the end the Minister had to resign. Therefore, it is not always possible for us to be quite sure of all the facts and the veracity of the story that is placed before us before we have to venture, in the discharge of our public responsibilities, to make certain remarks here. All that can be expected of us is that we should not knowingly and wilfully and mischievously, with mischievous intent, make insinuations; otherwise you are here to pull us up whenever you think in your judgment that we are going a little farther than we could possibly be expected to do in the discharge of our duties. I think, it is better that we should leave it at that, leave it to your discretion or to the discretion of the

Chair and also to the sense of judgment of the Member concerned. If by any chance once or twice the Member commits grave wrong in the discharge of his duties well he takes the blame for it. The whole House is here and the House has got a horse-sense also. Beyond that I do not think we should give any exhortations to Members.

Mr. Speaker: It is not exhortations that I am giving, but I am asking them that they should put in some effort to verify the facts before they make a statement here.

Shrimati Renu Chakravartty: Yes, of course.

Mr. Speaker: A simple letter to the Minister would have brought out the facts.

Shrimati Renu Chakravartty: What are the facts? He has not been able to answer my point at all.

Mr. Speaker: He has. Because he was related directly, that should be dealt with by others. Therefore, that question does not arise.

Shri S. M. Banerjee: May I have your guidance in one matter? Suppose, we want to have some more details—there is a news item or we get some anonymous letter—it is open to us to write a letter. Now, it was not a personal matter, as the Finance Minister or the Minister without portfolio. It was concerning that factory. Suppose, we want to conceal some facts from outside and only want to bring it up in Parliament not only for sensationalism but also to give certain facts to the House. I abide by your guidance, but should we not do that? Is that not open to us?

Mr. Speaker: I have already said—and there is nothing that I can add to what I have said—that because this liberty or freedom of speech is there, the responsibility also comes in side

by side that whoever wants to exercise that liberty must satisfy himself also to some extent at least. I have requested for this simple procedure that some effort must be made to find out the facts. That is all that I have said.

RE: CONFERENCE OF AFRO-ASIAN NATIONS

Shri Thirumala Rao (Kakinada): May I make a submission?

Mr. Speaker: That is finished.

Shri Thirumala Rao: Not with regard to that. Shri Swaran Singh has just now returned from a conference of Afro-Asian nations that met in Jakarta. We have heard something about his activities there. If, with your permission, he can.....

Mr. Speaker: I cannot ask him in this manner, suddenly.

12.19 hrs.

APPROPRIATION* (NO. 2) BILL

Shri T. T. Krishnamachari: Sir, I beg to move for leave to introduce a Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 1964-65.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 1964-65."

The motion was adopted.

Shri T. T. Krishnamachari: Sir, I introduce† the Bill.

12.20 hrs.

FINANCE BILL

Shri T. T. Krishnamachari: Sir, I beg to move:‡

"That the Bill to give effect to the financial Proposals of the central Government for the financial year 1964-65 be taken into consideration."

Shrall I move the other Bill also so that decussion might be on both?

Mr. Speaker: Only this one, that is Finance Bill.

Shri T. T. Krishnamachari: All right.

Sir, it is now more than six weeks since the Finance Bill was presented to the House along with the Budget for 1964-65. Government's policies as reflected in these proposals have been very fully discussed in both Houses of Parliament. In my replies to the general debate, I had explained the broad economic and social objectives of the tax proposals. Elucidations of the detailed implications of these proposals have also been furnished to hon. Members. I would, in particular, draw attention to the document "Rationale of the tax proposals" circulated a few days ago which relates to the basic economic objectives with the specific tax measures in the Finance Bill. It is not, therefore, necessary for me now to go again into the economic basis of the budget.

The tax proposals have evoked a considerable amount of active and well-informed interest and perhaps also active resistance among certain sections not only in this House but also outside, in the press and among the public at large. Some of the interests concerned have made specific representations to Government. This wide discussion that has taken place has been very useful and has helped

*Published in the Gazette of India, 17-4-1964.

†Introduced with the recommendation

‡Moved with the recommendation of

Extraordinary, Part II, Section 2 dated

of the President.

the President.