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PARLIAMENTARY DEBATES

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(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

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HOUSE OF THE PEOPLE

Wednesday, 2nd July, 1952

The House met at a Quarter Past Eight of the Clock.

[MR. SPEAKER in the Chair]

QUESTIONS AND ANSWERS

(See Part I)

8-35 A.M.

STATEMENT BY DR. JAISOORYA WITHDRAWING ALLEGATIONS RE: TELEPHONE CONTRACT

Dr. Jaisoorya (Medak): Sir, I am grateful to you for the courtesy you have shown me, in permitting me to make a statement today on the floor of this House.

This statement has become essential because during the course of my speech on the floor of this House on the 3rd June, 1952, the verbatim recording of my speech shows that I said as follows:

"One more point. I want the facts to be laid on the Table. A contract with a British firm for telephones was signed in Switzerland. It is strange that it was not signed in Delhi or in London, but there is a corollary to this, and my information is—I am giving it in all good faith because I have full faith in my information—there is a very large sum of money, one and a half million Swiss francs in the name of an Indian national who is connected with this deal. That came to light when that person died, and the bank asked: 'Here in the name of a certain person is a large sum of money; what should be done?' Two points arise out of that: One is that that

person, without informing the Government, had a large balance, and in a hard currency area, which was not declared—in that case, it is evasion of income-tax. I want to ask—I may be wrong, but the people have the right to know, because as they say, Caesar's wife must be above suspicion."

I accept, although I spoke extempore, the reporting of this part of my speech as substantially correct.

I made this particular statement in good faith basing it on the information given me by one very highly placed and usually well informed person. On the floor of this House I asked the Government to investigate into the facts. As a public worker, whatever the source of my information be, I hold myself entirely responsible for all the consequences of statements made by me.

The Prime Minister took immediate action and did all that he could, with the aid of the governmental machinery within the country and reference to our outside agencies, to ascertain the truth of my statement.

I have had a full discussion with the Prime Minister and I had the occasion to examine all the records of the investigations done and I find that my said statement is unsubstantiated and therefore incorrect.

It is my duty to frankly admit my mistakes when I realise that they are mistakes. I have never shirked doing so.

I do consider the statement I made on the floor of this House on the 3rd June a grave mistake because it was unsubstantiated. I therefore beg leave of you, Sir, and of this House to unreservedly withdraw it and to apologise for having made that statement.

Mr. Speaker: Would the hon. the Leader of the House like to say anything?

The Prime Minister and Minister of External Affairs (Shri Jawaharlal Nehru): Allow me to say, Sir, that I appreciate the frank and fair statement that the hon. Member has made.

GENERAL BUDGET—DEMANDS FOR GRANTS

Mr. Speaker: The House will now proceed with the discussion of the Demands for Grants and the cut motions in respect of the Ministry of Irrigation and Power. The hon. the Minister in charge of it will continue his reply.

The Minister of Planning and Irrigation and Power (Shri Nanda): Sir, when the House rose yesterday, I was dealing with some points on the adverse criticisms in relation to the Hirakud project. I was enumerating some of the things which I noticed and which I did not like. It appears to me that for a period, the Hirakud administration was somewhat loose and the work of the project was not proceeding very smoothly. This caused some embarrassment to us, but it appears to me that no appreciable loss occurred on that ground. The person responsible chiefly was the then Chief Engineer, who was later removed from that position and demoted. I think, very stringent and strong action was taken in this case, and I am able to say without hesitation that since then striking improvements have occurred in every direction. The work there is proceeding fast and I got some graphs prepared to satisfy myself as to how the progress of the work compared with the original schedule and the revised programmes, and I find that for the last one year or so, the work has been proceeding not only in accordance with schedule but in certain respects ahead of schedule. I have been assured also that there is going to be very much more rapid progress hereafter. What is being visualised now in respect of the Hirakud project is that on the main dam the earth dam will be completed by the end of June, 1955, and the concrete dam in all respects will be completed by the end of June, 1956. I do not wish to take up the time of the House regarding the schedule in respect of the other items, but I am assured that the other works also will be completed within the scheduled dates.

There are still certain things that call for an explanation. I have one other thing which I should specially bring to the attention of the House. I found that a part of the work had

been done before the sanctions were received. It was not that there were no designs and specifications and estimates. All that was there, but it took some time to obtain the sanctions, and it is explained to me that because of the urgency of the work, things had to be carried out.

There is one thing which is of a outstanding character and which calls for explanation and that is about the subsidiary dam. A great deal of criticism and comment has been made in connection with it. Certainly it will look very strange that something was started which cost us about Rs. 70 lakhs,—not Rs. one and a half crores as has been alleged—but still a substantial sum—the work goes on for some time, and then at some stage, we abandon it for the time being. I have looked very carefully into this matter, and I might assure the House regarding one thing. It is being stated that possibly this thing was taken up as an afterthought or as something which was not really previously considered adequately and properly. This is not so. This subsidiary dam and this Power House No. 2 were parts of the original project. Later on when an Advisory Committee of which Dr. Savage was the Chairman examined the project, they also came to the same conclusion that it would be desirable to begin with two units in Power House No. 2, as the construction of the civil works and the installation of machines at Power House No. 2 could be more easily done in advance, than Power House No. 1. This was considered to give an obvious advantage regarding the development of power and the training of personnel. According to the recommendation of this Committee, the work was started on the subsidiary dam and the power house, but later on after the planning commission gave thought to the matter, particularly in the context of the allocation of resources, decision was taken that this dam should not be proceeded with. This has to be understood in relation to the conditions and circumstances which existed at the time the decision was taken and the change reflects the greatly altered conditions and circumstances of today. At the time the decision was taken, there was a feeling in the country and also in the Government that there were ample funds and that no worthwhile project need be held up for lack of funds. At that time, there was also an optimistic view of the prospects of industrial development in the country—the idea being that a steel plant was going to be set up soon. It seemed also that other industries too would