

able information is laid on the Table. [See Appendix IV, annexure No. 48].

(c) In order to increase fruit production in the country, a scheme for the development of fruit production has been sanctioned in all States and the Union Territories of Himachal Pradesh, Tripura and Delhi during the Second Five Year Plan. Under this scheme, long-term loans @ Rs. 300 per acre (Rs. 500 per acre for hilly areas) for planting of new orchards and short-term loans @ Rs. 65 per acre for rejuvenation of old orchards, are being given to fruit growers through the State Government concerned.

2. Technical advice is also rendered to fruit-growers through the State Agriculture Departments.

3. State Governments have also taken steps to establish fruit nurseries, etc. wherever necessary, in order to supply reliable fruit plants to growers.

Banaras-Calcutta Air Service

2416. { Shri Agadi:
Shri Wodeyar:
Shri Sugandhi:

Will the Minister of Transport and Communications be pleased to state:

(a) whether the air service between Banaras and Calcutta has been discontinued with effect from 1st April, 1960;

(b) the reasons for discontinuing the service; and

(c) whether any representation has been received from Travel Agents Association of India and the public protesting against the decision?

The Deputy Minister of Civil Aviation (Shri Mohiuddin): (a) and (b). Upto 31st March, 1960, the Indian Airlines Corporation were operating two services daily between Delhi and Calcutta via Banaras as follows:—

(1) Delhi|Lucknow|Banaras|Calcutta

(2) Delhi|Agra|Lucknow|Allahabad|Banaras|Patna|Calcutta.

With effect from 1st April, 1960, the Delhi | Lucknow | Banaras | Calcutta service has been recast, for the convenience of tourists and it operates now 4 days in a week from Delhi to Kathmandu via Lucknow and Banaras. The other service continues to provide a daily connection between Banaras and Calcutta.

(c) No, Sir.

12.09 hrs.

MOTIONS FOR ADJOURNMENT

JEEPS CASE

Mr. Speaker: I have received notice of four adjournment motions. The subject of all the four motions is the same. One of them reads:

“The reported decision of the Indian Government waiving the claim for damages amounting to £250,000 in the ‘Jeeps Case’ and settling the same out of court, resulting in a loss to the Indian Exchequer, the case being due for hearing on the 2nd May, 1960, in the Queen’s Bench Division of the High Court of London”.

They have supported this by a newspaper cutting from the *Times of India* dated 21st April 1960.

Shri Goray (Poona): This case regarding the jeeps has been popping up many times during the last ten years, and the Public Accounts Committee and the Auditor-General have also made their comments. I do not want to refer to those comments, but we were told that the Government themselves had gone to the court, and the case fixed up for hearing on 2nd May. Then we were told that because the Defence Minister was cited as a witness, the Law Minister, who is now in England, is trying to settle it out of court. Today we are told that it is being settled out of court, and that the Government are waiving

[Shri Goray]

their claim, which is of the order of £250,000. I would like the Prime Minister to tell us why it is that after having gone to the Court themselves, they are trying to settle it out of court, and why it is they are waiving such a big claim.

Shri Braj Raj Singh (Firozabad): May I just. . . .

Mr. Speaker: Order, order. Hereafter, the practice will be, as in the case of Calling Attention notices, that only one Member will be called, and if it is disposed of, all the others will be barred. There is no meaning in allowing every hon. Member to speak on this. At this stage, I am concerned only with the admissibility.

Some Hon. Members rose—

Shri Vajpayee (Balrampur): When separate notices of adjournment motions are given, I fail to understand how they can be considered as one motion.

Mr. Speaker: The hon. Member asks how, if several adjournment motions are given, I can dispose of one, and say the others are barred. The hon. Member will refer to the rules. If a decision is given either by the House or by an order, I need not go on with it if 100 Members give the same motion. It is not that each has to be taken up. The adjournment motion of Shri Goray is No. 132, and is the first in point of time. The substance of the others is the same. Therefore, it is a regular practice, and is also covered by the rules and procedure of this House that if a matter is disposed of, the same matter cannot be raised, the other motions are barred. Therefore, I will not give an opportunity to all the other Members to go on.

Mr. Speaker: This is the right proceeding from the long-established practice.

Mr. Speaker: This is the right procedure that I am adopting.

The Prime Minister and Minister of External Affairs (Shri Jawaharlal

Nehru): I may submit that the question of an adjournment motion, especially at this stage, does not arise, but I can well understand the desire of the House to have the facts as we know them.

It is not particularly easy for me to state all the facts fully at this stage because it has not reached a final stage yet there, and it may not be perhaps quite correct, when certain steps have not been taken in the High Court, London, for me to say much about them, but I think I can give some information which may partly at least satisfy the desire for knowledge of hon. Members.

There was a claim by the Government of India in this suit for £254,498. There was a counter-claim against the Government of India for £270,028. Apart from this, and rather separate from this, there were two arbitration proceedings in which the claim against the Government of India—this is about the supply of certain materials—was for £20,000. Although these arbitration proceedings have not been finalised, in fact, in the course of those proceedings, on behalf of the Government of India, this claim was admitted to the extent of £14,000. We would normally have paid this, because we had admitted the claim of goods supplied, but we did not pay it because of those other claims and counter-claims, and we tied them up with it so that we may use this as a set-off if necessary. This has been going on for some time past.

Now, for the last eight months, or may be a year, we have been approached repeatedly on behalf of the defendants in the suit for an out-of-court settlement. They have made various proposals during this period which we have not accepted, and we decided to go on with it. We did not accept those proposals, although we were advised to accept them by our counsel and solicitors there. One of the main reasons for this advice was that in the event of our success in this claim, we would not be able to get

anything out of the defendants; they were in such a position that we could not get anything out of them . . .

An Hon. Member: That is the main thing.

Shri Jawaharlal Nehru: . . . and that we would have to spend a very large sum of money, I do not quite know, possibly £50,000 to £60,000 in the costs of this case, without the possibility of recovery of anything from that side.

Shri P. E. Patel (Mehsana): What has been spent up till now?

Shri Yadav Narain Jadhav (Jalgaon): At least these facts should have been taken into consideration in the beginning.

Shri Jawaharlal Nehru: Nevertheless we thought—and I should be quite frank with this House—we should pursue it. On the pure merits of the case it was quite obvious that in view of the facts which I have mentioned, we should compromise and not spend much more money which we cannot recover from the parties concerned, there is no chance of recovery. But because this was a very old standing case in which this House and the country had taken considerable interest, we rejected any idea of compromise, lest it be thought that there was an attempt to avoid facing the Court on this issue. We made every arrangement, and in fact, when the case was booked for 2nd May, we booked the passages of our witnesses for it—I think about a dozen, ten or twelve—and the Defence Minister was to have gone there also to give evidence. The Defence Minister might have gone a little later, but the other witnesses were booked to go the day before, on the 19th April. Everything was fixed, and there was no question of the Law Minister going to London to do anything.

When these talks about an out-of-court settlement, these proposals, were put forward repeatedly, we had indicated at an early stage that we were

not interested in any settlement, but that we might consider it on the basis of no payment on either side, of the money which we had to pay on the arbitration matter which was admitted by us being treated by us as partial damages on the part of the defendants, i.e., £14,000. They had not accepted it when we had suggested that we might consider it.

So, it went on till about five days ago. About five days ago we were informed that the defendants' solicitors had advised their clients to accept what we had said earlier—I forget, may be a year or eight months ago—that it was the least that we might consider, that is to say, that we should not pay £14,000 which was the claim admitted by us which we had to pay to the other party; we should utilise it as part payment for the damages due to us, and the claim and the counter-claim should be withdrawn. Broadly, this is the position.

When this came to us, we considered this matter. We have been considering it carefully, and more especially because of the fact that we are not likely to realise anything more from the party in view of the conditions there. So, we have decided to advise our representatives there to proceed with talks about this out-of-court settlement broadly on that basis. Three days ago, i.e., on the 18th April I think, some such settlement was initialled. It has not been finalised yet, we have not got the final copy even, but I have said what the facts are.

Thereafter, when we knew this, we had to stop almost suddenly at two days' notice all the witnesses who had booked their passages to go from here to London by air, about ten or twelve of them. And that is how the matter stands.

As soon as we get all the other papers, I shall gladly place them before the House.

Shri Hem Barua (Gauhati): May I seek a clarification?

Shri Braj Raj Singh: Was it not known to the Government at the time of the institution of the suit that the party against whom we were going to file a claim had broken, and the money would not be recovered from that party? Has that knowledge dawned upon the Government only now, that they shall not be able to recover anything from them?

Some Hon. Members rose—

Mr. Speaker: I shall allow one hon. Member who is a party to this adjournment motion to ask one question for elucidation.

Shri Tyagi (Dehra Dun): On a point of order. My point of order is whether this stage is for putting questions or only to obtain a ruling from you as to whether the adjournment motion is in order or not.

Mr. Speaker: The hon. Member is putting me in a very delicate situation.

If there is no purpose served in having an adjournment motion or a discussion on this matter, and if the matter can be settled by merely clarifying whatever doubts hon. Members have, and if I give an opportunity to each hon. Member to put his question and thereby the doubt is cleared, we need not unnecessarily take the time of the House either in this adjournment motion or in the discussion, and we may close it, for, the purpose will then be served. Therefore, there is no harm in allowing hon. Members to put questions to elucidate one or two points. The news has appeared in the press. This matter has been pending for a long time. About Rs. 30 lakhs, if it true, are involved in this matter. Of course, it is coming up in appeal on the 2nd of May, and, therefore, if the House has to express its opinion, it has to express it before that.

These are all points which certainly I am bound to take notice of, and I would like, as far as possible, to see that the House is satisfied, if it could be satisfied, by allowing one or two

questions to be put and then getting some elucidation.

Shri Hem Barua: May I know whether it is a fact that Mr. Soskice, whose Legal Advice was obtained by our Defence Minister Shri Krishna Menon in London advised just a year back that the Indian claim did not have any leg to stand upon, and it comes....

Shri Jawaharlal Nehru: Who advised?

Shri Hem Barua: Mr. Soskice.

Mr. Speaker: The solicitor.

Shri Hem Barua: He was the Legal Adviser whose advice was obtained by our Defence Minister on his way back from UNO, in London. That gentleman advised our Government, and he was of the opinion that the Indian claim—these are his words—does not have any leg to stand upon, and that much dirty line would be washed in public, if the case comes up before the Queen's Bench, and, therefore, that case should be withdrawn. I just want to know whether this advice was given or not.

Mr. Speaker: Order, order. Hon. Members will kindly bear this in mind. Assuming we have a discussion, what will be the scope of the discussion? At this stage, we are not going into the question as to how this money was advanced, and how this money has become recoverable. It is not denied that so far as we are concerned, the claim is a just claim. The hon. Prime Minister says: Is it worth pursuing this matter in view of the fact that there is no chance of its recovery being possible? Also, there is a counter-claim which we have ourselves admitted. These are all the simple points. Assuming that there is a discussion, nothing more than that can be raised. We cannot go into the original case, the history of the jeeps and so on. That is absolutely irrelevant at this stage. The only point at this stage is whether it is necessary to compromise the case in view of the circumstances that have been mentioned. If hon. Members make any

suggestions, we may continue or not continue. That is all the point. It is no good saying that so much of dirty linen would be washed in public and so on. That is out of place here.

Shri Goray: The point here is only this

Mr. Speaker: The point is whether it should be settled out of court or not.

Shri Goray: The Prime Minister has just now said that there was no sense in pursuing the matter, because the party against whom we were trying to proceed was a broken party. But what I would like to point out is this. From the very beginning when the contract was entered into, it was known that this party had no more capital than £100. So, this is not a new thing that we have discovered. Knowing all this, when we proceed to a court of law, why is it that we compromise outside the court? Is it because a particular person is involved, or is it because we find now that the party is now proceeding against us?

Shri Hem Barua: On a personal explanation. Government have now decided to withdraw the case. This advice was tendered to Government by our solicitor earlier. Therefore, I wanted to ask that question.

Shri Naushir Bharucha (East Khandesh): As a result of this transaction, Rs. 30 lakhs have been lost.

Shri Sugandhi (Bijapur North): Rs. 30 lakhs or £30 lakhs?

Shri Naushir Bharucha: Rs. 30 lakhs. I want to know whether Government intend, after the case is settled and finally finished, to hold any judicial investigation to fix the responsibility on the party as a result of whose carelessness, the nation has lost Rs. 30 lakhs.

Shri Vajpayee: There are doubts in the public mind that the case is being settled out of court, only to save the

Defence Minister from being placed in an embarrassing position. I would like the Prime Minister to dispel these doubts.

Shri Khushwaqt Rai (Kheri): The whole question is this. What was the basis of the counter-claim made by the defendant for £2,70,000, and did that counter-claim implicate the Defence Minister in any way?

Shri P. R. Patel: May I know whether before the filing of the suit, legal opinion was taken, and if so, what was the legal opinion? May I also know what amount has been spent up till now in proceeding with the case?

Shri Yadav Narain Jadhav: May I know whether all the relevant papers.....

Mr. Speaker: I am not going to allow any more questions. I have heard sufficiently over this matter.

Shri Yadav Narain Jadhav: May I know whether all the relevant papers in this case will be laid on the Table of the House and moreover, may I also know whether some of the documents in this case are missing?

Mr. Speaker: The hon. Prime Minister.

Shri Yadav Narain Jadhav: I am one of the members who had tabled this motion.

Mr. Speaker: I have allowed a sufficient number of Members already.

Shri Jawaharlal Nehru: I thought I had given enough information to the House. We cannot, as you were pleased to say, discuss this old case, this old contract, at this stage. Shri Goray casually asked: Why was he contract taken from a man who might become bankrupt or who might not be able to pay?

Shri Goray: Who was bankrupt already.

Shri Jawaharlal Nehru: Not at all. (Interruptions).

Mr. Speaker: Order, order. Let him go on.

Shri Jawaharlal Nehru: May I be allowed to continue? May I just mention in passing that these people had been, for years past, dealing with various contracts and supplies to the tune of millions and millions of pounds to the Government of India. It was not a novel thing, the dealing with them. And they dealt with it. The fact that they were agents, their capital was a small one and so on had no relevance to this; they were go-between getting things done by others. However, I am not going into the merits. I merely mentioned it.

There was an original jeep contract; for a variety of reasons, that contract failed. That is to say, our Army people, when they got a few of these jeeps, did not approve of them; they did not think them good enough.

Shri Hem Barua: They were useless.

An Hon. Member: Unserviceable.

Shri Jawaharlal Nehru: The hon. Member seems to know more than I do.

Shri Hem Barua: It is in the papers. They were useless.

Shri Jawaharlal Nehru: I might tell him that they are still in use, after ten years, those very jeeps.

An Hon. Member: After repairs.

Shri Jawaharlal Nehru: After some slight repairs, no doubt.

Shri Hem Barua: This firm had supplied conditioned jeeps. But Sir James stepped in when this firm came into liquidation, and then they supplied brand new jeeps. (*Interruptions*).

An Hon. Member: It is in the report of the Public Accounts Committee.

Shri Jawaharlal Nehru: I know, but sometimes, even the Public Ac-

counts Committee's account may not be wholly correct—sometimes, not always....

Shri Jaipal Singh (Ranchi West—Reserved—Sch. Tribes): On a point of order. The Leader of the House has been pleased to say, unwisely, I think, that sometimes, the Public Accounts Committee's statements are incorrect. It is the responsibility of the Government to provide all the facts.

Shri Jawaharlal Nehru: I wish the hon. Member had waited for me to complete my sentence—because, they are made on insufficient information which comes up later. They can add to them. Their saying was that there was this case, and certain jeeps were ordered—I forgot how many, but it was a large number. It was rather a critical moment in our history, when the Kashmir military....

Mr. Speaker: It was 1500.

Shri Jawaharlal Nehru: I am saying that the Kashmir operations had started then, and they came. When a few of them came, they were rejected by our Defence Forces as not being good enough. Because we had already paid for 75 or 80 per cent. of them, an attempt was made thereafter to get some money back. Therefore, a contract was signed for new jeeps. The other ones were old jeeps. And the present case is about the second one. The question of price arose and that was settled.

The counter claim was in regard to spares. I am broadly hinting at that. The case of the counter claim was that certain spares etc. which ought to be put to them were not taken. However, this has nothing to do with that.

It is rather an unusual thing for a Minister of a Government to give evidence in a foreign court. It is not normally done. I do not say it is not done at all. In the local courts it is a different matter. But this is a foreign court. That is why about a year ago, when the matter rather

casually came before us we were not wholly agreeable. We did not rule it out. But we were not wholly agreeable to the Minister giving evidence unless it was considered absolutely necessary. It was because the Minister's evidence would largely be about files and papers and all that which are in the files.

Later, our Solicitors and Counsel said that the Minister's evidence was very necessary in such a case because the other party was relying on oral evidence. The factual evidence had been taken; the paper evidence, the documentary evidence was very good entirely. But under English law oral evidence can be used. When the Counsel and the Solicitors said that it was necessary, immediately we decided. The Defence Minister was cited to give it. The moment they said that we informed them that the Minister would give his evidence. We were going along, completely ready as I said. We had booked the passage and everything till about four days ago. (*Interruption*).

They were to have gone the day before yesterday and the Defence Minister and others would, probably, have gone in 3 or 4 days' time, when this development took place. (*Interruption*). The Defence Minister is not directly involved in this at all.

Shri Assar (Ratnagiri): He is one of the parties.

Shri Hem Barua: He is the main witness.

Shri Jawaharlal Nehru: The Defence Minister's evidence is only about what the other parties say, the allegation that some kind of an oral assurance was given to them by the High Commissioner or the Deputy High Commissioner and one or two others. That was the only point. However, the position is this.

It is perfectly true as the hon. Member hinted that, probably, we realised it about a year ago. In fact,

when we put in a case, we were rather doubtful if we can get any damages out of these people. But because there had been so much discussion and talk about it we thought we better put it in. And, this has been our attitude.

And, in between, for the last 7 or 8 months, we have said that we are not going to compromise this case except we did indicate on the basis which I have said. Now, when the defendants apparently realised that this is actually coming so on, at the last moment, it was almost, say, 5 days ago, they made that proposal which had been hinted at by us some time ago. When we had already expressed ourselves in favour of the proposal, now to get out of it is difficult having regard to the fact that the Council's opinion is strongly in favour of it.

Shri Hem Barua said something. I do not know from where he got the Counsel's opinion, from what paper or orally or documentarily out of context. I do not think it is quite fair to use a confidential document. I do not think it correct if I may say so.

Shri Hem Barua: It was in a news paper, Sir, and then there was a supplementary which I put in the House on that occasion.

Shri Jawaharlal Nehru: Maybe. But if the Counsel's opinion was in the newspapers it was very improper for the newspapers. The Counsel's opinion is private. I have seen most of these opinions. I have no recollection at all of any such phrase. We have been living in these papers for many years and repeatedly looking at these for something or other for foreign affairs and the Cabinet discussing all that.

Shri P. R. Patel: What about the legal opinion before filing the claim?

Shri Hem Barua: It was in the newspapers.

Shri Jawaharlal Nehru: But these are the two facts; there was no chance at all of our getting any damages or costs and our spending a very large sum of money, Counsel's fees, witnesses going from here and the whole thing taking quite a long time. And, when they accepted something which we had suggested 6 months ago, it was rather felt that we should accept it instead of casting a further burden on our Exchequer.

These are the broad facts. For the rest, as soon as I get more facts—as I said it is not absolutely finalised yet—I shall place them on the Table of the House.

Shri Braj Raj Singh: None of the questions had been replied. How much expenditure has been incurred so far and whether it was known to Government that the other party was a broken one? None of these have been replied.

Shri Jawaharlal Nehru: I do not know. I do not think the expenses will be heavy till the case is taken up. I do not think much expense has been incurred. I would say it would be little—fees on opinions etc.

Shri P. R. Patel: The Prime Minister said that the other party was relying upon some assurances given by the High Commissioner. I want to know the allegation of the other party so far as these assurances are concerned.

Mr. Speaker: It is a simple matter. So far as the adjournment motion is concerned it is simple. We are not going into it. The adjournment motion arises out of things that appeared in a newspaper relating to the pending case. If anybody should compromise a pending case it is Government that has to do so. Should we go into the question as to whether it is right to compromise this case or not, whether the House should engage itself in a discussion and give advice to the Government

that it ought not to compromise is a different thing. We are not going further into other matters. (*Interruptions*).

Order, order. So far as that is concerned, the hon. Prime Minister has said not once but twice that the present persons against whom the claim has been put in i.e. the defendants, are not worth anything. That is, the amount would not be recovered from them, whatever may be the original position. We are not going into the original contract and other matters. If money is not going to be recovered, if it is not possible to recover money—whether originally or now—the only question is whether we must proceed and then get into a position of having to pay Rs. 14,000 and face a counter claim. This is the position here. We are not going into the other one. I do not think it is right.... (*Interruptions*).

Shri Braj Raj Singh: They have taken a wrong step.

Shri Hem Barua: History may not repeat itself.

Mr. Speaker: Order, order. In a democratic society, in a Parliament the Cabinet is the biggest or the most powerful committee of the House. It is always open to the House to censure that in an important matter. But the point for my consideration is whether this is a matter in which I should allow it. I have come to the conclusion that so far as this compromise is concerned, any Government which fills the seat has got a right to compromise. (*Interruptions*).

Order, order. I am concluding. I have heard sufficiently. The only point is whether having regard to the importance of the matter and the money involved in it, Parliament should give directions or have a discussion about this matter. Notwithstanding the fact that we have heard so much about it and so much of time has been spent over it, we have not heard a word that it is possible to

recover this money. It would be only a question of throwing good money after bad. In any case, an adjournment motion is not the proper course of settling this matter. (Interruptions)?

I am not going to allow this.

Shri Braj Raj Singh: It was a case of censure of the Government that they have been bungling with the matter so long.

Mr. Speaker: Next item. Papers to be laid on the Table.

12:39 hrs.

PAPERS LAID ON THE TABLE

DRAFT ORDER FOR PRICE PAGE
SCHEDULE FOR DAILY NEWSPAPERS

The Parliamentary Secretary to the Minister of Information and Broadcasting (Shri A. C. Joshi): Sir, on behalf of Dr. Keskar I beg to lay on the Table a copy of the draft Order, under the Newspaper (Price and Page) Act, 1956, for a price-page schedule for daily newspapers together with a copy of a Press Note on the subject. [See Appendix IV, annexure No. 49.]

12:39½ hrs.

MESSAGE FROM RAJYA SABHA

Secretary: Sir, I have to report the following message received from the Secretary Rajya Sabha:

"In accordance with the provisions of rule 97 of the Rules of Procedure and Conduct of Business in the Rajya Sabha, I am directed to enclose a copy of the Hindu Marriages (Validation of Proceedings) Bill, 1960, which has been passed by the Rajya Sabha at its sitting held on the 19th April, 1960."

12:40 hrs.

HINDU MARRIAGES (VALIDATION
OF PROCEEDINGS) BILL

(LAID ON THE TABLE, AS PASSED BY
RAJYA SABHA)

Secretary: Sir, I lay on the Table of the House the Hindu Marriages (Validation of Proceedings) Bill, 1960, as passed by Rajya Sabha.

12:40½ hrs.

ESTIMATES COMMITTEE

EIGHTY-EIGHTH REPORT

Shri Dasappa (Bangalore): Sir, I beg to present the Eighty-eighth Report of the Estimates Committee on the Ministry of Labour and Employment—Part II (Directorate General of Resettlement and Employment and Labour Bureau).

12:40½ hrs.

ELECTION TO COMMITTEE

INDIAN CENTRAL SUGARCANE
COMMITTEE

The Minister of Agriculture (Dr. P. S. Deshmukh): Sir, I beg to move:

"That in pursuance of Rule I of the Rules and Regulations of the Indian Central Sugarcane Committee, the members of Lok Sabha do proceed to elect, in such manner as the Speaker may direct, two members from among themselves to serve as members of the Indian Central Sugarcane Committee, subject to the other provisions of the said Rules and Regulations."

Mr. Speaker: The question is:

"That in pursuance of Rule I of the Rules and Regulations of the Indian Central Sugarcane Committee, the members of Lok Sabha do proceed to elect, in such manner as the Speaker may