

by Government on the recommendations contained in their Two Hundred and Eighteenth Report (Fifth Lok Sabha) relating to Illegal Import of Gold.

12.46 hrs.

COMMITTEE ON PRIVATE MEMBERS BILLS AND RESOLUTIONS

SIXTEENTH REPORT

SHRI VINODBHAI B. SHETH (Jamnagar): I beg to present the Sixteenth Report of the Committee on Private Members' Bills and Resolutions.

There is a change of sex in my name, in every paper that I receive, it is 'Bai' and not 'Bhai'. I request you to kindly have it corrected, Mr. Speaker

MR. SPEAKER: You won't become a Bai by that.

SHRI KANWAR LAL GUPTA: Your office has changed his sex. Ask your office not to change his sex.

MR. SPEAKER: You are quite right. He is a good-looking man. Now, Item No 12.

12.47 hrs.

STATEMENT RE. ALLEGED TRANSFER OF 10-11 MILLION DOLLARS TO A SWISS BANK

THE MINISTER OF EXTERNAL AFFAIRS (SHRI ATAL BIHARI VAJ-PAYEE): Mr. Speaker, Sir, the Hon'ble Member, Shri S. N. Mishra, in a statement made in the House on March 2, 1978, had referred to \$ 10 to 11 million having been paid into a Swiss bank during the previous Government's rule and sought explanations of the manner in which the Ministry of External Affairs was involved in it. I have carefully enquired into these payments.

It is correct that two payments of \$5.5 million each were sanctioned on March 15 and October 28, 1976. These

payments were in accordance with the terms of a commercial transaction between the Government of India and the Government of Iran negotiated by our Economic Affairs Department under orders of the then Prime Minister. In accordance with the terms of the agreement, part payments had to be made in Switzerland. Therefore funds were provided under the head of special discretionary expenditure in the budget of the Ministry of External Affairs. The amounts were paid by cheque and did not involve any illegal payments to any Indian.

I would also like to clarify the position regarding some other matters to which the member had alluded in his statement. The Ashoka Traders with which Hinduja family is associated is a Company registered in Iran. It is not an Indian company and was not as far we know recipient of this payment. The Kudremukh agreement or sales of cement and sugar to Iran had also nothing to do with these payments.

Having clarified the relevant facts about transactions which were authorised by the previous Government, I would like to state that the present Government has decided that in current and future agreements, there is to be no provision of such part payment. At the same time I would like to affirm that we consider it to be in our national interest to develop our relations with Iran. We intend to promote trust, mutually beneficial cooperation and confidence with Iran especially after close rapport and far reaching understanding arrived at during the visit of His Imperial Majesty Shahenahah last February. It would be contrary to our policies and intentions if any misunderstanding should have been created as a result of past transactions.

MR. SPEAKER: Now, the statement by the Hon. Minister for Agriculture.

SHRI SHYAMNANDAN MISHRA (Begusarai): Sir, I am not asking any question on the statement made by the Minister of External Affairs.