

**SHRI S. S. DAS:** My second question is this: there are many persons whose houses have been completely washed away. So, does the Minister feel that the amount of Rs. 500/- (and that, also, not as a grant but as a loan repayable in 24 instalments) is too meagre, considering the damages suffered by the persons affected?

**SHRI H. M. PATEL:** So far as the Central Government is concerned, they have passed these orders in respect of Central Government employees. For the rest, whatever relief is given by the State Government to those who have suffered from floods, that same relief as is available to ordinary citizens, is available to Government servants also.

**SHRI S. S. DAS:** My point is:

**MR. SPEAKER:** What he says is that, in addition to this Rs. 500/- they will also get the same assistance as everybody else, who has suffered. This will be an extra amount.

श्री फ़िरंगी प्रसाद माननीय ग्रहयज्ञ जी मैं आपके माध्यम से जानना चाहता हूँ कि जिन राज्यों को बाढ़ की सूची में घोषित किया गया है, क्या उन्हीं को महायता देने की बात है? क्या जिन प्रदेशों के जिन जिलों में यह बाढ़ रही है, उनके गांवों को भी यह सहायता दी जा रही है या राज्य को ही बाढ़ग्रस्त घोषित करके उसमें जहां कहीं का भी निवासी हो, उसको महायता दी जा रही है?

**SHRI H. M. PATEL:** First of all, this question relates only to Government servants, while this particular supplementary question covers a wider field. But I can say that, so far as this is concerned, it is for the State Government to declare which areas are affected by floods and, thereafter, it is for the State Government to take appropriate action for giving relief. The Central Government assists the State Government in order to enable them to give adequate relief.

**PROF. DILIP CHAKRAVARTY:** I would like to know from the Hon. Minister the quantum of assistance that would be available to those persons having lost their hearth and home in West Bengal. Has he considered the fact that West Bengal has experienced three successive floods in the course of two months and the requirements, in their case, would be much more than the meagre Rs. 500?

**SHRI H. M. PATEL:** I would like to say that, undoubtedly, West Bengal has had three successive floods and, therefore, the suffering there might have been greater. But, as I have explained, the scheme of things is that, so far as the Central Government employees are concerned, the relief given is as I have stated in my reply, viz. an advance of Rs. 500/- or three months' pay, whichever is less, recoverable in not more than 24 monthly instalments. In addition to this, the State Government would have taken care of those affected by floods. Whatever relief the State Government considered necessary for ordinary citizens would also have been available to such Government employees as might have been affected by the floods.

**MR. SPEAKER:** Next question.

स्वर्ण मूल्य में वृद्धि

+

\* 82. श्री चन्द्र शेर सिंह :

श्री गंगानाथ प्रधान :

क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) अक्टूबर, 1978 के दौरान स्वर्ण मूल्यों में असाधारण वृद्धि के क्या कारण हैं, जब कि सोने का मूल्य बढ़ कर 110/- रु० प्रति दस ग्राम हो गया था ;

(ख) क्या सरकार की स्वर्ण नीलामी की नीति इसके लिए उत्तरदायी है ; और

(ग) यदि हां, तो सरकार का विचार स्वर्ण मूल्यों को गत वर्षों के स्तर तक लाने के लिए क्या कार्यवाही करने का है ?

THE MINISTER OF FINANCE  
(SHRI H. M. PATEL): Question No.  
82(a) The Hon'ble Members.../....

श्री चन्द्र शेखर सिंह : यदि हिन्दु में नहीं तो हिन्दुस्तानी में जवाब दें । बड़ी कृपा होगी ।

श्री एच० एम० पटेल : मैं हिन्दुस्तानी में जवाब नहीं दे सकता । आप जरा सुनिये ।

श्री चन्द्र शेखर सिंह : मैं जानता हूँ हिन्दुस्तानी में जवाब देने से आपका अपमान होगा । यह मुझे मालूम है ।

THE MINISTER OF FINANCE  
SHRI H. M. PATEL: (a) The Hon'ble Members have perhaps in view the press report about a price of Rs. 1100/- per 10 grams in Dhanbad. Dhanbad is not a major centre for gold transactions. The highest price so far recorded was Rs. 960 per 10 grams on 17th October 1978 in Bombay, which is the main centre for gold. The rise in domestic price of gold would appear to be due to the sharp increase in the international prices of gold in recent months. The pressure of annual festival demand usual in India in the months of October/November could also have accentuated to this rising trend, apart from purely speculative activities. The price of gold came down subsequently and it was quoted around Rs. 810 per 10 grams in Bombay on 24th October, 1978.

(b) No, Sir. The sale of gold by the Government had nothing to do with the recent rise in the domestic price of gold. On the other hand the gold sales, should if at all, have played a role in moderating the rise in price of gold.

(c) It may be stated at the outset that at no time Government visualis-

ed that through sale of limited quantities of gold from its stocks, the domestic price of gold could be brought down. Gold prices in India have always had a tendency to rise or fall alongwith International price. Sale of gold by auction was introduced by the Government on an experimental basis as an economic measures designed to supplement other anti-smuggling measures. It was also intended incidentally to mitigate the expansionary impact of the budgetary deficit.

In view of the bullish trend in the international and domestic markets and the unsettled nature of the gold markets in India and due to the play of speculative activities, the Government has directed the Reserve Bank of India on 26-10-78 to suspend further auctions of gold. A Committee has been appointed under the Chairmanship of the Governor, R.B.I to review gold policy in all its aspects and make appropriate recommendations.

श्री चन्द्र शेखर सिंह : मंत्री महोदय ने सोने के मूल्यों में वृद्धि के तीन चार कारण बताए हैं । उन्होंने बताया है कि पिछले दिनों सोने के अन्तर्राष्ट्रीय मूल्यों में तेजी से वृद्धि हुई है । साथ ही अक्टूबर-नवम्बर में वृद्धि शक्तियाँ ज्यादा होती हैं इसलिये भी सोने के मूल्य में वृद्धि हुई है । उन्होंने यह भी कहा कि सरकार की यह धारणा कभी नहीं थी कि सरकारी स्टॉक से सोने की सीमित मात्रा में विक्री करने से देश में सोने के मूल्यों को नीचे लाया जा सकेगा ।

सात बातों को महेनजर रखते हुए सोने की नीलामी के बारे में वित्त मंत्री जी ने और वित्त राज्य मंत्री जी ने इस सदन में और इस सदन के बाहर अखबारों के जरिए अपनी बातों को कहा था । पहली बात यह कि भारतीय और अन्तर्राष्ट्रीय दामों में एकरूपता लाना ताकि सोने की तस्करी का प्रलोभन रुक सके क्योंकि हमारे देश में अगर भाव बहुत ऊँचे रहते हैं तो इससे सोने की तस्करी के लिए तस्करों को प्रलोभन

मिलता है। दूसरी बात यह है कि तस्करी न केवल गैर कानूनी है बल्कि इससे काले धन को बढ़ावा भी मिलता है व्यवधान जो सात बातें बताई हैं वही मैं बता रहा हूँ। वह अंग्रेजी में बोले हैं और मैं हिन्दी में बोल रहा हूँ—

**अध्यक्ष महोदय :** हिन्दी में बोलिये लेकिन प्रश्न कीजिये।

**श्री चन्द्र शेखर सिंह :** तीसरी बात यह बनाई थी कि विदेशी मुद्रा का अवैध घंघा चलता है उसको रोकने के लिए यह जरूरी है। चौथा उद्देश्य रोजगार उपलब्ध कराना था। पांचवां सोने का मोह जनता से खत्म कराना। छठा सोने के प्रचलित दामों में गिरावट लाना। लेकिन यहां मंत्री जी बयान देते हैं कि सोने के दामों में गिरावट लाना उद्देश्य नहीं था। छः मार्च को जयपुर में भाषण देते हुए श्री अग्रवाल साहब क्या कहते हैं इसको भी आप सुन लें। उन्होंने यह मद व्यक्त किया कि बाजार में सरकारी सोना निकालने में सोने के प्रचलित दामों में गिरावट आएगी तथा लोग शुद्ध स्वर्ण के आभूषण बनाने में हिर्चाकचाहट नहीं करेंगे। ये सात उद्देश्य बताए गए थे। यह सब बातें हुईं। मैं मंत्री जी से जानना चाहता हूँ कि सोने की नीलामी की योजना को चलाने के बारे में क्या मंत्रि-मंडल में कोई फैसला हुआ था?

दूसरे इस योजना के तहत सोने को आम आदमी ने खरीदा या कुछ इजारेदारों ने खरीदा, क्योंकि मंत्री जी कहते हैं कि माधारण जनता ने सोना नहीं खरीदा। इससे लगता है कि जो 7 इजारेदार बम्बई के थे, उनके द्वारा सोना खरीदने के लिए नीति चलाई।

तोसरे स्वर्ण भंडार का कितना हिस्सा आज तक इससे बेचा गया? चूंकि अन्तर्राष्ट्रीय कीमतों में इस दौरान . . . . . (व्यवधान)

**MR. SPEAKER:** You are asking a dozen questions in one question, You cannot ask so many questions.

(Interruptions)

**श्री चन्द्र शेखर सिंह :** जब विदेशों में सोने का भाव 20 प्रतिशत की दर से बढ़ा और भारत में 70 प्रतिशत की दर से इस दौरान बढ़ा, चूंकि आपने कहा कि प्रलोभन को रोकने के लिए हम इस कानून का निर्माण कर रहे हैं, तो जब 70 प्रतिशत भाव यहां बढ़ा तो तस्करी भी ज्यादा बढ़ी होगी, तो इस दौरान कितने तस्करों को आपने गिरफ्तार किया?

**SHRI H. M. PATEL:** The hon. Member has asked a whole bundle of questions. I will endeavour to answer them. I am sorry, my expression 'bundle' is not a Hindi word. It is an English word and it means that the hon. Member has put several questions together in one question. I would like to explain to the hon. Member that in the month of May when the gold auction was started, the price of gold in Bombay as per 10 grams was Rs 697.78. On that day, the price of gold in London was US \$ per Troy oz. 176.78. The difference was 145.74.

(Interruptions)\*\*

**MR. SPEAKER:** Do not record.

**SHRI H. M. PATEL :** I am answering the questions put by Shri Chandra Shekhar Singh. The hon. member asked in what way was the international price related to indigenous price which resulted in curbing the smuggling. I am trying to point out—he said there was a wider gap and, therefore, in fact smuggling should have increased. I am giving these figures to point out what actually happened.

In June the Indian price was Rs. 686.95 per 10 gms. International price was US \$1.84.11 per Troy. oz.

The gap was reduced from 145 to 110. In July it was Rs. 679 per 10 gms. in India and the international price was US \$188 per Troy oz. The gap was reduced to Rs. 79.48 per 10 gms. In August the Bombay price was Rs. 727 per 10 gms. The Indian price went up. The international price went up to US \$206 per Troy oz. From 188 it went up to 206 but the gap still came down to 77 from 79.

In September, as the trend of international price continued to go up, this was the result—

The Indian price was Rs. 761 per 10 gms., the international price became 212 and the gap widened to 109.99.

I am trying to point out how the prices went.

I am answering the questions that were put to me by the hon. Member. I am not answering any other question.

MR. SPEAKER: You can kindly ignore other interruptions.

SHRI H. M. PATEL: The hon. member said that this was sold to a few individuals. I would like to point out to him that this was sold to a large number of people. The number of successful bidders during these auctions—Maharashtra 3512, Tamil Nadu 1702, Gujarat 986, Andhra Pradesh 611, Panjab 389, Karnataka 324, West Bengal 229, Delhi 239.

श्री उग्रसेन : उत्तर प्रदेश और बिहार की क्या संख्या है ?

SHRI H. M. PATEL: Hon. members should know that gold will be sold where there is a gold market.

From Uttar Pradesh, if he wants to know, there were 98 bidders. The total number of valid bids received in the auctions just now we had one auction were 15143. Total number

of bids accepted—8567. To say that only a few individuals participated, is somewhat an exaggeration.

Let me also say that the total quantity of gold which we have sold through all these auctions is a little over 12 tonnes. Our total stock of gold, what we had when we started the auction was about 82 tonnes. We have now 70 tonnes. I am referring to Government stock, not the Reserve Bank reserve. That is separate. That is untouched.

Look at the quantity which has been sold through these auctions. If one imagines that when in the country there is the quantity of gold estimated to be several thousand tonnes, the sale of 12 tonnes over 12 auctions when each time what has been sold is about a tonne or a little over a tonne, that would bring down prices in a spectacular way is not correct. But the point that has to be realised is—in fact it had an effect until the international prices started going up steeply, the prices were actually coming down when the international price started rising very steeply, then the speculative forces seemed to have come in and the Indian prices were pushed up from Rs. 700 and odd to Rs. 900 something. We felt that if speculative forces were going to have a play, then we shall have to consider.

These persons who bids were accepted, were gold dealers. They can sell gold to other goldsmiths or make ornaments themselves. We banned dealer to dealer transaction. (*Interruptions*).

MR. SPEAKER: Don't answer other questions.

SHRI H. M. PATEL: Therefore, to think that this was encouraging smuggling, etc. was really difficult to understand.

Finally, I would say that what these gold dealers did with the gold had been checked by searches that were carried out. Their books had been examined. Therefore, the feeling

that these dealers got away with the gold is not quite correct.

**श्री चन्द्रशेखर सिंह :** मेरे पहले सवाल का ही जवाब नहीं आया। मैंने दो सवाल मके अतिरिक्त और पूछे थे, उनका जवाब नहीं आया। मैंने यह भी पूछा था कि क्या कैबिनेट में इसका कोई फसला हुआ था और दूसरा पार्ट मेरे सवाल का यह था कि इस दौरान तस्करों की गिरफ्तारी कितनी हुई? इन दो सवालों का कोई जवाब नहीं आया।

MR. SPEAKER: That does not arise from the question at all.

**श्री चन्द्रशेखर सिंह :** इमो क्वश्चन मे उठता है।

MR. SPEAKER: Please go to second supplementary.

**श्री चन्द्रशेखर सिंह :** मंत्री जी ने अपने जवाब में अन्तर्राष्ट्रीय कीमतों और भारत की कीमतों के बारे में परसेंटेज के हिसाब में जिक्र किया। यह उसी तरह का जवाब है कि जैसे पहले कोई कहता था कि तीन परसेंट तो भारत की आमदनी बढ़ी और दो परसेंट अमरीका की आमदनी बढ़ी, लेकिन वह भूल जाता था कि औसत आमदनी भारत की क्या है और अमरीका की क्या है? परसेंटेज की भूल भूलैयां में मंत्री जी ने हम लोगों की फंसाने की कोशिश की। हर साल 130 रुपये से लेकर 150 रुपये सोने के भाव मई और जून के महीने में बढ़ हैं लेकिन इस साल अक्टूबर और सितम्बर के अन्त में 361 रुपये भाव बढ़े हैं। 20 प्रतिशत तो अन्तर्राष्ट्रीय बाजार में सोने का भाव बढ़ा है और 70 प्रतिशत भारतीय बाजार में सोने का भाव बढ़ा है। इतना ही नहीं सरकार ने यह फैसला किया है कि विदेश से सोना खरीदेंगे। एक तरफ सोना बेचने की नीति चल रही है और दूसरी तरफ सोना खरीदने का भी काम चल रहा है।

MR. SPEAKER: Please put the question. You are making a speech.

**श्री चन्द्रशेखर सिंह :** मेरा मुख्य सवाल यह है कि जब अक्टूबर में 10 ग्राम सोने का दाम लन्दन बाजार में 579 था तो बम्बई में 940 रुपये और मद्रास में 983 रुपये था। मद्रास में 404 रुपया एक साल में बढ़ा है। 7 प्वाइंट उन्होंने गिनाये, रोजगार उपलब्ध कराने की बात और दाम गिराने की बात, ये सब बातें भी पूरी नहीं हुईं, तो क्या इस स्वर्ण नीलामी नीति से यह समझा जाए कि देश का सोना बेच कर के कोई भी फायदा उससे नहीं हुआ। यह भी कहा जा रहा था कि बजट का घाटा है वह भी इससे पूरा किया जाएगा, लेकिन वह बजट का घाटा भी पूरा करने का काम नहीं हुआ। तो क्या यह पूरी की पूरी नीति फेल कर दी गई और यह नीति क्या इजारेदारों के पक्ष में गई क्योंकि गरीब आमदानी तो कोई खरीद नहीं सकता। लाइसेंसशुदा भी 100 ग्राम से कम नहीं खरीद सकते। . . . . (व्यवधान) . . . . बड़ा मोधामादा छोटा सा सवाल है कि क्या सी ग्राम से कम सोना बेचने की इजाजत न देकर इजारेदारों को सहायता देने का काम वित्त मंत्री जी की तरफ से हुआ है या नहीं?

दूसरी बात यह है कि जब सोने के अन्तर्राष्ट्रीय भाव में 20 प्रतिशत की गिरावट आई तब क्या भारत में सोने के भाव में अक्टूबर नवम्बर के भाव में 70 प्रतिशत की गिरावट आई यदि नहीं तब क्या मई, जून में, जब शादी का असली महीना आयेगा तब सोने का 12 सौ, 13 सौ या 15 सौ का भाव करने का विचार है?

SHRI H. M. PATEL: Sir, my answer to the first question is 'No'. There is no question of this gold having gone into the hands only of ejaredar.

SHRI HARIKESH BAHADUR: Only ejaredar.

**SHRI H. M. PATEL:** He said 'only'. It is quite incorrect, it is entirely incorrect—I say, absolutely incorrect. I will explain why it is so. The second question that he put is about international prices. I have shown that earlier when the international prices were rising in a moderate way, ours also went up, but the gap narrowed and that was the object because when once the gap gets narrowed, then the incentive to smugglers gets reduced. But later, when the international prices rose very steeply, then it seems certain speculative forces also entered and the price in India rose even more steeply than the international price. At that stage the gap between the international price and the indigenous price increased, which meant really that if it had gone on further, the smugglers' incentive would have been increased, but we consider that this was entirely a freak rise. As you see, as soon as this has been stopped, the prices have begun to come down in a more reasonable way. The market is behaving more reasonably, the speculative forces are less in action today, but they are still in action.

**SHRI C. N. VISVANATHAN:** Sir, the hon. Minister said in his reply regarding the gold policy that the accounts and the stocks of the big dealers are being checked and will continue to be checked making use of the powers under the Gold Control Act. This is the reply by the hon. Minister on 16th November 1978 regarding the gold policy. I want to know whether the hon. Minister will tell this House how many accounts of the persons have been checked and who are the persons. Can you clearly state before this House how much quantity of gold had been seized after checking the accounts and who are the persons involved?

**SHRI H. M. PATEL:** I cannot say the exact number of accounts that have been examined, but a very large number of accounts have been examined. There is no question of gold

being seized because what action has to be taken will be taken following this examination. When was this examination? This examination began when the prices started rising. There has been a check to see that dealers do not misuse this gold that has been purchased by them.

**SHRI R. L. KUREEL:** I want to know whether it is true that due to this policy of gold black-money has been converted into white money.

**SHRI H. M. PATEL:** There can be no question of black-money being converted into white money through this because the gold is sold only to dealers who are subject to the Gold Control Regulations and who have to maintain their accounts and every sale to the dealers is reported also to the income-tax organisation so that they will check how much profit they made. So there is a complete check and it cannot be by any other means except by the proper transactions.

**SHRI K. P. UNNIKRISHNAN:** The hon. Minister having admitted that the speculative forces have been active, has any report reached him through any letter or has any information reached him through Government channels that the syndicate has been operating? If so, what are the names of those persons?

**SHRI H. M. PATEL:** I have received no information, but I have read also in the newspapers that syndicates have been formed. But there can be no question of syndicates having been formed because there are rules made. No one could bid more than a certain quantity.

**SHRI K. P. UNNIKRISHNAN:** Syndicate means more than one (*Interruptions*).

**SHRI H. M. PATEL:** All these bidders are registered. They have to submit their accounts to the Gold Controller, they must keep their ac-

counts open. What they did with this we would immediately come to know.

(Interruptions)

SHRI K. P. UNNIKRISHNAN: Have they combined?

SHRI H. M. PATEL: No. (Interruptions).

SHRI K. P. UNNIKRISHNAN: He has said that he has got reports.

MR. SPEAKER: No. He has said that he read some press reports and he also said that it was not correct.

SHRI H. M. PATEL: There is nothing to prevent people from exercising their imagination I am giving the facts. The facts are....

SHRI K. GOPAL: What facts?

SHRI H. M. PATEL: If my hon. friends wish to ignore facts, I have nothing to say. I would rather stick to facts. These are the facts. No one can buy more than a certain quantity and that quantity has been reduced to two kg. per person towards the end. Though it started at five kg., it was reduced very soon after the third or fourth auction to 2-1/2 kg. and now towards the end it was 2 kg. These are only registered dealers as I said and they are dealers from all over the country.

**Discussions with President of International Bank for Re-construction and Development**

+

\*83. PROF P. G. MAVALANKAR:

SHRI M. KALYANA-SUNDARAM:

Will the Minister of FINANCE be pleased to state:

(a) whether Mr. Robert McNamara, President of the International Bank for Reconstruction and Development recently visited India;

(b) if so, the purpose of his visit and whether he was accompanied by any experts and officials;

(c) the places he visited, the persons he met and the topics he discussed while on tour in the country;

(d) broad indication of the subjects discussed by the Minister and other Governmental leaders with the visiting dignitary; and

(e) overall reaction and response shown by the visiting distinguished guest and his team?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) Yes, Sir.

(b) to (e). A statement is laid on the Table of the House.

**Statement**

Mr. Robert McNamara, President of the International Bank for Reconstruction and Development visited India from October 1 to October, 12, 1978. The first part of his stay in India was in connection with the meeting of the Board of Trustees of the Ford Foundation. His official visit, in response to the invitation of the Minister of Finance, commenced from October 9, 1978. Among others, he was accompanied by Mr. David Hopper, Vice President (South Asia) and Mr. William Clark, Vice-President (External Relations).

During his stay in Delhi, Mr. Robert McNamara called on the President, Prime Minister, Union Ministers of Industry, Commerce, Civil Supplies and Cooperation, Petroleum, Fertilisers and Chemicals, Agriculture and Irrigation and Finance and Deputy Chairman, Planning Commission. Mr. McNamara also had a discussion with the representatives of the Federation of Indian Chambers of Commerce and Industry. During all these meetings Mr. McNamara was informed about our Plan priorities and Plan strategies, measures contemplated by the