

श्री मूलचन्द्र डागा: अध्यक्ष महोदय, मैं यह जानना चाहता हूँ कि बैंकों की नई शाखाएँ जनसंख्या के आधार पर खोली जायेंगी या क्षेत्रफल के आधार पर क्या इस बात का भी ध्यान रखा जायेगा कि उन क्षेत्रों में शाखाएँ खोली जायें, जहाँ आदिवासी बाँर पिछड़े हुए लोग ज्यादा रहते हैं ?

SHRI R. VENKATARAMAN: This relates to West Bengal and if he puts a separate question about Adivasis, I will give an answer.

श्री मूल चंद्र डागा: एरिया क्या होगा ? जैसे राजस्थान में जैस्लमेर है, बाड़मेर है, उस का एरिया बहुत बड़ा है, तो उस में कितनी एरिया में आप खोलेंगे ? एरिया आप कंसिडर करेंगे या क्या क्राइटीरिया होगा ?

SHRI R. VENKATARAMAN: The principles on which banks open their branches are stated by the Reserve Bank. Generally they go by the population, the needs of the place, the various small scale industries and other things which have developed there. There are four or five—criteria and if they satisfy the criteria, the branch is opened. Whether these criteria are satisfied or not, in every block we see that there is one branch. —

SHRI KRISHNA CHANDRA HALDER: The hon. Minister has admitted that West Bengal, especially rural West Bengal has not been covered by the bank services properly. Is he aware that West Bengal Government has given a proposal to the Central Government to open a bank. I want to know whether he will give proper instructions to West Bengal government to open its own bank.

SHRI R. VENKATARAMAN: Opening of a bank is within the exclusive privilege of the Reserve Bank of India. People have to apply to the Reserve Bank and the Reserve Bank may or may not give. I give

information as to what happened in the House.

Committee on Gold Auctions

*85. SHRI K. MALLANNA:

SHRI AMAR ROY PRADHAN:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have appointed a Committee to go into the working of Gold Auctions in 1978; and

(b) if so, the details regarding the terms of reference of this Committee and the time by which its report is likely to be submitted?

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): (a) and (b). A statement is laid on the Table of the House.

Statement

The Government of India have appointed Shri K. R. Puri, former Governor, Reserve Bank of India, to examine the various policy and procedural aspects relating to the sale by auctions in 1978 of gold held on Government account and to advise the Government as to the further course of action to be taken in the light of his findings.

The terms of reference are as follows:—

(i) to examine whether the policy decision of the then Government to offer for sale a part of the gold held on Government account was in the public interest and was based on sound economic considerations;

(ii) to examine whether the policy procedures evolved for the sale of gold were such as to adequately safeguard the public interest and whether the procedures laid down were observed at different stages;

(iii) to examine and advise the Government whether *prima facie* any impropriety had been committed at any stage in the sale of gold and if so, to recommend such further action as may be considered appropriate;

(iv) to examine and advise the Government whether *prima-facie* the scheme had been abused by some interested persons and in particular whether there was any cornering of gold by any individual or group of individuals directly or indirectly and if so, to recommend the course of action to be adopted; and

(v) also to examine such other matters as may be relevant for the purposes of the above enquiry.

Shri K. R. Puri has been requested to submit his report before 1-9-1980.

SHRI K. MALLANNA: I have gone through the statement and also the terms of reference. A very important term of reference was omitted, according to me : what was the specific purpose contemplated by the Janata government and whether that purpose has been fulfilled, if not, why not? I want to know from the hon. Minister whether he proposes to include it in the terms of reference.

SHRI R. VENKATARAMAN : In the budget speech my predecessor, Shri H. M. Patel stated that the purpose of gold auctions was to control the price of gold and prevent smuggling. Even at that time when he made the proposal, I criticised it from the other side of the House. I said that it would be a disastrous policy. I also went to the extent of saying that posterity would call my hon. friend Shri H. M. Patel as the 'prodigal son of India.' In my opinion the purpose for which Shri H. M. Patel said he was selling gold had not been fulfilled.

SHRI K. MALLANNA: Was the purpose for which gold was sold by

the Janata Government fulfilled or not? Will the hon. Minister include it in the terms of reference?

SHRI R. VENKATARAMAN: I have stated in the statement:

"to examine whether the policy decision of the then Government to offer for sale a part of the gold held on Government account was in the public interest...."

That is one of the terms of reference: it is there.

SHRI K. MALLANNA: May I know whether any time limit has been fixed for Mr. Puri to submit his report? If not, what is the difficulty in fixing a time limit?

SHRI R. VENKATARAMAN: It has been fixed and it is said that the time limit is 1st September, 1980.

SHRI JAGDISH TYTLER: Regarding this gold we have heard so much as gold scandal and so many people are involved in it.

SHRI JYOTIRMOY BOSU: Which gold scandal?

SHRI JAGDISH TYTLER: The one which you have done. The one you are supporting now.

Recently, the then Finance Minister had said that the gold auction was done in a proper way. I would like to know from the hon. Minister, whether it is a fact I believe that a Committee has been formed to go into the gold scandal. If the adverse remarks are made by the Committee, what action the Government propose to take against those people?

MR. SPEAKER: It is no question.
(Interruptions)

SHRI JAGDISH TYTLER: If they are proved guilty, what action do they propose to take?

SHRI R. VENKATARAMAN: I assure the hon. Member that I will cross the bridge when I come to it. Actually when the report is received, we will consider the report and take

the appropriate action on the basis of the report.

SHRI JAGDISH TYTLER: Part (a) of my question was—the then Finance Minister said that the gold auction was in a proper order. I would like to know....

MR. SPEAKER: But he has to form his view.

SHRI JAGDISH TYTLER: According to the documents available....

MR. SPEAKER: No....

(Interruptions)

MR. SPEAKER: Nothing should be recorded without my permission.

(Interruptions)**

PROF. MADHU DANDAVATE: The Prime Minister of the country consistently, carried on a public campaign during the Lok Sabha election and Assembly elections in nine States that during the Janata Government when gold was auctioned, the gold that was secured from the people during 1962, 1965 and 1971 war was auctioned. That was squandered away. I would like to know specifically from the Finance Minister, is it a fact?

SHRI R. VENKATARAMAN: I do not know what the Prime Minister stated in the election campaign. I cannot answer for others. I can tell you this information, the gold in the possession of the country consists of two parts or rather three parts:—

1. The Gold reserve kept under the Reserve Bank Act.
2. The Gold Bonds Gold.
3. The surplus gold which we have consists of gold which we are producing in Hutti Mines and the gold which we confiscate from the public—smugglers and all that.

But all these three are kept as one stock and out of that stock gold has been sold. Afterwards they said that gold which was sold from that stock will be treated as having come out of the gold which has been confiscated. My simple answer is whether that is

a confiscated gold or Hutti Mine gold, it is Government gold and Government gold has been frittered away.

PROF. MADHU DANDAVATE: My question has not been answered. I have asked a very sharp and pointed question. Sharp and pointed answer has been given in the other House. I want the same answer in this House. I have asked the question. It has been alleged by the Prime Minister that the gold which the Government secured in 1962, 1965 and 1971 war, that was the gold that was auctioned. I want to know is it a fact that that gold was auctioned or confiscated gold was auctioned?

MR. SPEAKER: It is Government gold. He has already replied. He has already replied that it is government gold. That gold in the custody of the Government is government gold from whatever source it might have come from.

SHRI R. VENKATARAMAN: It is government gold, whether it is Hutti Mine gold or confiscated gold. It is Government gold and that Government gold has been sold. In my opinion it was frittered away. That is all I have to say.

PROF. MADHU DANDAVATE: Why don't you protect me? How can the Finance Minister give contradictory answers in the two Houses?

MR. SPEAKER: I think the answer is quite relevant, because he has said whatever gold comes into the treasury of the Government, it is Government gold. How can you distinguish between this gold and that gold?

PROF. MADHU DANDAVATE: You can go through the proceedings of Rajya Sabha.

MR. SPEAKER: I think the answer is quite relevant. I am not convinced.

PROF. MADHU DANDAVATE: The same question was put to the same Finance Minister.

MR. SPEAKER: You can give me notice that this is a wrong answer and

I will look into it. I think it is quite relevant. I do not allow you.

PROF. MADHU DANDAVATE: I take it for granted that the Finance Minister in both Houses functions as the Finance Minister of the same Government and therefore, he is expected to give the same answer.

SHRI RATANSINH RAJDA: He is misleading the House....

MR. SPEAKER: I am not allowing you. Nothing will go on record without my permission.

(Interruptions).*

SHRI K. K. TEWARY: When this question of gold auction was taken up in the first session of the Lok Sabha, some allegations were levelled against the then Prime Minister, Shri Morarji Desai, and his son, Shri Kanti Desai. I would like to know in the most unequivocal terms from the hon. Minister whether this committee which has been formed to go into the allegations also includes in its terms of reference Shri Morarji Desai and Shri Kanti Desai?

MR. SPEAKER: The terms* of reference are before you. Why don't you read it?

PROF. K. K. TEWARY: I would like to know from the Minister whether these names have also been included....

MR. SPEAKER: The question is disallowed.

श्री मलिक एम एम. ए. सां: अध्यक्ष महोदय, मैं आपके द्वारा मंत्री महोदय से जानना चाहूंगा कि क्या यह सही है कि जितना सोना बेचा गया, उसका दो-तिहाई हिस्सा फर्जी नाम की बम्बई की किसी एक पार्टी ने खरीदा....

MR. SPEAKER: The committee is there to look into all these aspects.

SHRI BHAGWAT JHA AZAD: May I know whether the necklaces, rings and mangalsutras that were contributed to the gold stock were in the same stock from where the gold was frittered away or were they kept separately? If they were in the same stock, they must also have been sold by the Government.

SHRI R. VENKATARAMAN: There is one stock but three accounts. The stock consists of all the Government gold kept together. There is an account which shows how much gold has come from our mines. There is an account showing how much gold has been received through gold bonds. These are accounts, but the stock is one stock. I said, it has been sold from that stock.

DR. SUBRAMANIAM SWAMY: I agree that the stock is one, but the accounts are separately kept—how much gold was received from smugglers, how much from old defence account, how much from the mines, etc. I would like to know whether the amount of gold that was auctioned falls short of the amount of gold that was taken from the smugglers or it is more than the amount of gold taken from the smugglers.

SHRI R. VENKATARAMAN: I will give further details. Out of the stock which they had, they sold it from there. Later they debited this to the account of smuggled gold. Originally, when they sold, they sold it from the stock.

In fact, the proposal which Mr. H. M. Patel brought forward through his Ministry was that the gold would be sold from the stock and then after the sale, he said, it would be debited to the account of smuggled gold.

PROF. MADHU DANDAVATE: He has built up a fine case for a privilege motion.

*Not recorded.