

So far as other banks are concerned, the Baroda Bank has also a case with it and the other Banks are also considering the applications with them as per the guidelines given.

SHRI P. RAJAGOPAL NAIDU: What are the conditions of re-scheduling the payment of loans?

SHRI MAGANBHAI BAROT: So far as this area is concerned, the Reserve Bank's guideline provide some facilities as in natural calamities.

There is a cell which examines the cases of people affected by natural calamities, or who have lost their lives and property or who sustained personal injuries. The cell examines the bona fides of the cases, and then the applications will be forwarded to us. Thus, facilities of DRI interest etc. are given.

So far as re-scheduling of repayments is concerned, we have been receiving different kinds of applications. An Association has recently come and said that because bank operations could not take place, the penalty clause should be waived and certain facilities should be given. This request has been received only a week back and this is being considered.

SHRI NAWAL KISHORE SHARMA: While replying to Part (b) of the question, the Minister has said that guidelines have been issued for re-scheduling in the Moradabad cases. May I know from the Minister whether in those districts or in those areas—particularly I am referring to Rajasthan—where there are natural calamities whether the instructions have been issued?

SHRI SPEAKER: This does not fall within the purview of the question.

SHRI NAWAL KISHORE SHARMA: This has arisen out of the answer which has been given. The Minister says that in the case of

natural calamities such guidelines are issued. Therefore this question arises. Were such guidelines issued in the drought-affected areas of Rajasthan as well as Tamilnadu, Andhra Pradesh, Karnataka and other parts of India and if they were not issued, would the Minister assure the House that such guidelines would be issued?

SHRI MAGANBHAI BAROT: There are standing instructions on the subject.

Gold Auction Committee Report

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*458. **SHRI B. V. DESAI:**

SHRI CHITTA BASU:

Will the Minister of FINANCE be pleased to lay a statement showing:

(a) whether the Government have received the report of the Committee that probed the gold auction during the Janata rule;

(b) if so, what are the main recommendations of the Committee;

(c) whether Government have examined its recommendations;

(d) what steps are being taken to implement them;

(e) whether Government have also a list of auctioneers; and

(f) whether the same will also be placed before the House?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAISINGH SISODIA): (a) to (f). A Statement is laid on the Table of the House.

Statement

(a) to (d). The Report of Shri K. R. Puri, who was appointed by the Government of India to examine the various policy and procedural aspects relating to the sale of gold by auctions in 1978 held on Government account has been received recently.

Copies of the Report have been placed in the Parliament Library for perusal of the Hon'ble Members. The Report is under the examination of the Government.

(e) and (f). Lists containing names and addresses of successful bidders, quantity of gold sold and the prices at which gold was sold were published by the Reserve Bank of India in their Notice Board at the end of each auction. Copies of all these lists had been placed in the Parliament Library on 24-7-1973, 1-8-1978, 23-10-1978 and 4.11.1978 for perusal of the Hon'ble Members.

SHRI B. V. DESAI: Sir, the much awaited report of Puri Committee has been received and they have indicated the former Prime Minister and the Finance Minister in connection with the scandalous way in which gold sales were made during 1978, under which...

AN HON. MEMBER: Janata Party was the sole party to the gold auction.

SHRI B. V. DESAI: ...under which only a few multi-millionaires and bullion merchants in Bombay were allowed to corner the entire gold. In view of this, may I know from the Hon. Finance Minister, what are the main observations and recommendations of the Puri Committee and what action the Government would like to take on that?

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): Sir, the report of the Puri Committee has been received. Certain unauthorised versions started leaking out and, therefore, I thought it necessary to place it immediately in the library. (Interruptions)

It is your habit. What am I to do? Even when we do right things, we are criticised! I shall place the report on the Table of the House in a formal way, getting all the copies printed and taking necessary action.

The Government have constituted a Cabinet Group consisting of Shri P. V. Narasimha Rao, Minister for Foreign Affairs, and my esteemed friend Mr. Pranab Mukherjee and the Law Minister and myself to examine the matters. I do not think Government should commit themselves without a thorough examination and, therefore, after examining it, I will place the report as well as the conclusions of the Government.

I would appeal to my Hon. friends not to put many questions on this. Of course, if you want to get wrong answers, I have no objection. I am only trying to help you...

MR. SPEAKER: One thing must be clear. I will not allow even Mr. Venkataraman, my esteemed friend, to give a wrong answer.

SHRI R. VENKATARAMAN: I am only trying to see that, until Government comes forward with its own conclusions on this, all sorts of surmises, guesses and conjectures are not published.

MR. SPEAKER: Mr. Desai, are you still persisting?

SHRI B. V. DESAI: No, Sir. In view of the statement made by the hon. Finance Minister, I do not want to put any more question on that. But may I know from the hon. Finance Minister whether it is going to be only a *post-mortem* operation or the Committee which he has suggested is going to do something real, which is very serious, in this regard?

SHRI R. VENKATARAMAN: The Committee has been asked to make recommendations with regard to the future course of action. Therefore, it will recommend the course of action.

SHRI CHITTA BASU: The predecessor Government was within its competence to formulate a policy on gold, including auction. Mr. Venkataraman was sitting on this side at

that time. He had ample opportunities to criticise that policy. After all, it was the policy adopted by Parliament. May I know from the hon. Minister what particular, specific or special reason was found after the implementation of that policy which warranted a special probe under Mr. Puri? Is it not a fact that it has political overtones? Does it not contain elements of political vendetta? Is it not a bad precedent? For example, the Special Bearer Bond Bill has been passed. It will be an Act passed by Parliament. If the next Government institutes a probe against them that, because they had a link with certain black-marketeers in the country, they had allowed them to legalise their illegal money, would it be proper? Is it in consonance with Parliamentary practice? May I also know whether the Puri Committee examined the former Prime Minister, Shri Morarji Desai? Did the Puri Committee also examine the former Finance Minister and were their views recorded? And is it not a fact that this Committee was formed because of rivalry or controversy or jealousy or conflict of interests between Mr. Puri and Mr. Patel?

SHRI H. K. L. BHAGAT: He should not make insinuations against anybody like this.

(Interruptions)

MR. SPEAKER: Order, please. It is my job to do. Why are you assuming my duties?

SHRI R. VENKATARAMAN: In a Parliamentary democracy, the acts of the predecessor Government are subject to scrutiny by the successor Government, and it was practised by you to a bitter extent.

So far as the policy is concerned, my hon. friends are aware that standing on the other side, I criticised it and I told my esteemed friend, Mr. Patel, for whom I have a great regard, that he would be called the prodigal son of

India by posterity. Whether a policy is right or wrong is always subject to examination and when my friend, Mr. Chitta Basu, asked whether my policy with regard to the Bearer Bonds or the black bonds as they call it, would be subject to scrutiny or not, I know it will be subject to scrutiny and I am prepared to stand by it.

After all, what is the purpose of this scrutiny? That the mistakes may not be repeated. So long as it is not done out of malice or out of prejudice, the purpose of these public inquiries is to see that we draw lessons for future.

Now, one good effect of the report is that nobody will now think of selling gold or silver. I myself have been benefited by public criticism and parliamentary criticism because there has been a lot of pressure to sell silver and export silver by interested parties—the Bullion Exchange and everybody—and I always used to tell them, 'Look at the fate of those who sold gold. Don't put me into the same position.'

There is nothing wrong ...

MR. SPEAKER: Wise men always learn.

SHRI R. VENKATARAMAN: Therefore, it is good that some of these things are really examined and then some lessons drawn for the future.

Then, my hon. friend asked the question as to what warranted the probe. I have already replied. The matter was raised in this House and a large number of people wanted to know all the details about it. Sir, it is much better that there is an enquiry and the matters are placed before Parliament rather than people being allowed to draw surmises and also float rumours and spread unsustainable conjectures in respect of that. That is why the probe was ordered.

Then the question was whether the former Prime Minister and the Finance Minister were examined. The Puri Committee, in my opinion, had no power to do it because it was not a

Commission appointed under the Commissions of Enquiry Act. It was only a Committee to go into the facts and then bring out all the facts. That is why the Government have decided that it should be examined by a Cabinet Sub-Committee and their recommendations should be put forward.

The last question is: whether this inquiry is not motivated by jealousy or bitterness. I deny it. There was no such motive.

DR. SUBRAMANIAM SWAMY: I draw your attention first to the answer to the question. The question says: 'What are the main recommendations of the Committee?' The answer is: 'Copies of the report have been placed in the Parliament Library for the perusal of the hon Members.' Why this shyness in stating what the main recommendations of the Committee are—I do not understand. The report is there in Library. So many things are kept in the Library, but when a question is asked, the answer should be given. I know why the answer has not been given. Because the Government is quite embarrassed by the fact that the Puri Committee found really nothing... (*Interruptions*).

MR. SPEAKER: That is also a surmise.

DR. SUBRAMANIAM SWAMY: I would like to ask the Minister. I know this Committee is necessary and Mr. Morarji Desai's popularity is growing every day... (*Interruptions*) I have no faith that this Government is going to do any prosecution because on the Vaidyalingam Commission Report for the past one year and two months, we have been asking for a debate in Parliament and for the prosecution of the people concerned but the Government has not done it. I know that on the Puri Committee report also they cannot do anything.

SHRI K. LAKKAPPA: It has not yet started.

DR. SUBRAMANIAM SWAMY: Well, Mr. Lakkappa, I should also have the freedom like you.

MR. SPEAKER: You are having that. Please ask your question.

DR. SUBRAMANIAM SWAMY: Sir, I would like to know from the Minister in view of the fact that all these things should be done without any malice, whether, before appointing Mr. Puri, who was the predecessor of the present Governor of the Reserve Bank, he has had a look at the Shah Commission Report in which evidence was given by the former Finance Minister, Shri Subramaniam on why Mr. Puri was appointed and his qualifications, what necessitated the Janata Government to remove him.

SHRI K. LAKKAPPA: Why should he refer to The Shah Commission Report? (*Interruptions*).

MR. SPEAKER: The Finance Minister is here and he will reply to it

DR. SUBRAMANIAM SWAMY: The Finance Minister is a very competent person to reply and he is very capable in avoiding an answer also. Mr. Lakkappa, you need not worry

I would like to know whether, in view of the fact that you said that a Commission should be appointed without malice, it was improper to appoint a man who was removed by the Janata Government to examine the conduct of his successor, Dr. I. G. Patel and whether, in view of the fact that in the Shah Commission, the former Finance Minister, Shri Subramaniam had pointed out what kind of a person and how unqualified the person, Shri Puri was, it was not wrong for the present Finance Minister and this Government to appoint a man like Shri Puri to examine the actions of the successor Governor of the Reserve Bank.

MR. SPEAKER: By that they will not be able to go against the previous one.

SHRI R. VENKATARAMAN: This is the answer which my esteemed colleague, Shri Sisodia, gave in Parliament with regard to a question relating to Mr. Puri. Shri Puri had sought retirement from the post of the Governor

of the Reserve Bank of India on 2nd May, 1977. Shri Puri did not assign any reasons for seeking retirement. His request for retirement was accepted.

Therefore, the statement which my esteemed friend makes that he was removed is totally incorrect. Well, he now wants to take the responsibility for his retirement as due to something which he has surreptitiously done. These are all things which are not borne out by the records which I have. He may take the credit for it but they are not borne out by the facts which I have is wrong to attribute the motive. He has done his job. He has presented his report. It is for the House to look into it and then come to conclusion on what the facts are.

MR. SPEAKER: Mr. Lakkappa. Matching a match.

SHRI K. LAKKAPPA: Mr. Speaker, Sir, Shri Chitta Basu put a question.

MR. SPEAKER: He has already replied.

SHRI K. LAKKAPPA: No. The previous action is scrutinised by the Government. He also quoted something about the Bearer Bond schemes and all these things. I want to know whether it is a fact that the hon. Finance Minister knows if there was any Parliament Act or a cabinet decision regarding gold sale. Is it not a fact that it is only the coteries of people, the former Finance Minister and the then Prime Minister who are responsible for cornering the entire gold. I had put that question and Sanjay also put it. You know it. It was on the basis of that question that an enquiry was ordered.

Therefore, I would like to know whether on the basis of the Puri Committee report there are certain aspersions made against the previous Finance Minister and the former Prime Minister for ignoring the rule and regulations of the Reserve Bank of India and the gold was cornered. I want to know whether these things are also to be gone into and scrutinised by the sub-Committee which is going to be formed to examine this. (Interruptions)

SHRI R. VENKATARAMAN: Sir, the Puri Committee report has drawn attention to the fact that the decision to conduct gold auctions was not taken by the Cabinet at a meeting for this purpose. The Puri Committee had also, stated that a C.C.P.A. meeting—usually the cabinet meeting of the Political Affairs Committee meets and takes a decision—of this kind was also not called. At the same time I must say in fairness that this matter was taken to the Cabinet before the Budget was presented and it was part of the Budget proposals. Both these things are recorded in the Puri Committee Report. As I side we will have to go into all these things.

PROF. MADHU DANDAVATE: Sir, I want to raise a procedural point. The hon. Minister had referred to what happened in the Cabinet prior to the Budget. Is it fair for any Minister to refer to what happened in the Cabinet? Please give your ruling.

SHRI R. VENKATARAMAN: I did not refer to anything which happened in the Cabinet. I said that the Puri Committee has said that this matter was not taken to the Cabinet for a decision for this purpose. I also said that this was not taken to the Cabinet Committee on Political Affairs which is the usual practice. On the contrary it was taken as part of the budget proposals. Where did I say anything about the Cabinet decision?

SHRI NIREN GHOSH: Sir, there was a Shah Commission of Inquiry. It was a Public Commission of Inquiry and for a long period evidence was taken. Then the Report of the Commission was submitted. Then certain things followed from that Commission of Inquiry. The present Government simply quashed those proceedings and has withdrawn the Shah Commission Report. Now, instead of having a Commission of Inquiry under the Commission of Inquiry Act we had only one man Committee. Since this Puri Committee Report seems to be under cloud it is strange that already a Cabinet sub-

committee has been made to go into it. I would like to know whether a Commission of Inquiry will be set up on this question and Shri Morarji Desai and Shri I. G. Patel will be called before it and given a chance to put the whole thing straight.

SHRI R. VENKATARAMAN: I did not understand the question. Does the hon. Member want a Commission of Inquiry on it? If that is the demand from the Opposition...

SOME HON. MEMBERS: That is the demand.

SHRI R. VENKATARAMAN: If that is the demand from all sides, I am prepared to convey it to the Prime Minister.

DR. SUBRAMANIAM SWAMY: You appoint a Commission of Inquiry just now. But I know you will not do it.

SHRI R. VENKATARAMAN: There are all bravadoes.

PROF. N. G. RANGA: We do not want to repeat your blunders.

SHRI R. VENKATARAMAN: I can assure the hon. Member that if the Cabinet sub-committee after going through these records in its wisdom thinks that the Commission of Inquiry is warranted then it will not shirk from doing it.

MR. SPEAKER: Q. No. 461. I have called next question. Nothing will go on record. (Interruptions)**

Export of Himachal and Kashmir Apples

*461. **SHRI JITENDRA PRASAD:** Will the Minister of COMMERCE be pleased to state:

(a) whether Government are encouraging the export of Himachal and Kashmir apple to foreign countries by providing necessary incentives in the form of financial assistance to the apple growers/exporters to meet the

initial expenditure for export quality empty apple cases and freight charges upto export point;

(b) if so, the quantity of apples exported last year and proposed to be exported during the current year; and

(c) the particulars of incentives provided or proposed to be provided?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI KHURSHEED ALAM KHAN): (a) and (c). Central Government do not provide any financial assistance to the apple growers/exporters separately for meeting initial expenditure for export quality empty apple cases and freight charges upto export point. However, Government provide cash compensatory support at the rate of 15 per cent of the f.o.b. value and Import replacement at the rate of 5 per cent of f.o.b. value for import of packing material.

(b) The total quantity of apple exported during 1-4-1979 to 31-1-1980 was 2164 tonnes. Exports during the current year will depend on demand and supply position as it is allowed without any quantitative restriction.

श्री जितेन्द्र प्रसाद : सेव हिमाचल प्रदेश, कुमाऊँ और जम्मू-कश्मीर से एक्सपोर्ट किये जाते हैं। यह एक फारेन एक्सचेंज ग्रनिंग कमोडिटी है। क्या सरकार के पास इस फारेन एक्सचेंज ग्रनिंग कमोडिटी के बारे में ग्राभर को कोई फ्रैण इन्सेन्टिव देने की कोई योजना है, अगर है, तो मंत्री महोदय उस की डिटेल्स दें, अगर नहीं है, तो क्या सरकार सेव के एक्सपोर्ट को बढ़ाने में दिलचस्पी नहीं रखती है ?

SHRI KHURSHEED ALAM KHAN: I have already stated that 15 per cent cash compensatory allowance is given. The whole trouble about the export of apples is this. The surface transportation charges are very high from India to these importing countries as compared to exporting countries from Europe,