

Setting up of a Commission of Inquiry into various aspects of Government's Gold Policy

1814. SHRI K. MALLANA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that a memorandum has been submitted to the President of India by Congress (I) requesting the President to set up a commission to inquire into the various aspects of the Government's Gold Policy and stating that the policy was intended to benefit a group of persons who made lakhs of rupees out of fake transactions; and

(b) if so, the reaction of Government thereto?

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

(b) Government has no intention nor does it consider necessary to set up any Commission of Enquiry to enquire into various aspects of the Government's gold policy as requested by the Congress I in their Memorandum to the President of India, as there is no basis for the allegations raised in their Memorandum. Normal checks and scrutiny of accounts conducted under the existing laws, would suffice to ensure that the gold sold in auctions is properly accounted for and to detect any misutilisation of the gold by frauds etc.

Consequent to steep rise in international price of gold and sharper increase in the internal price and consequent increase in scope for speculative forces, the Government suspended the gold auctions since 26-10-1978 and appointed a Committee under the Chairmanship of the Governor, Reserve Bank of India to review the gold policy in all its aspects and make suitable recommendations.

Sanction of Additional Foreign Exchange to Chairman, State Bank of India

1815. SHRI K. N. DASGUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether the Chairman of the State Bank of India, Shri P. C. D. Nambiar on his way to the U.S.A. in October, 1977 to attend a meeting in Washington travelled by a Supersonic Concorde flight across the Atlantic;

(b) if so, for what special reasons did the Reserve Bank of India sanction the additional foreign exchange required to pay the difference in fare between the class to which he is entitled and Concorde fare;

(c) whether the difference was paid for from his personal account;

(d) for what reasons was he allowed to travel on a foreign carrier when the Trans-Atlantic route is served by Air India with daily flights; and

(e) whether the Minister of Finance also attended that meeting in Washington and travelled by the national carrier viz. Air India?

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

(b) Payment for the ticket was made in India in rupees.

(c) As the journey was made by the direct flight available and for official purposes, the question of payment by Shri P.C.D. Nambiar from his personal account did not arise.

(d) London-Washington not being served by Air India flights, travel by a foreign Air-line carrier did not require any special sanction.

(e) The Minister of Finance travelled by a British Airways flight between London to Barbados for attending Commonwealth Finance Ministers' Conference. Between Barbados and Washington he travelled by a Chartered flight arranged by the Commonwealth Secretariat.