

16.00 Hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

TWENTY-SECOND REPORT

SHRI K. M. KOUSHIK (Chanda) : I beg to move :

"That this House agrees with the Twenty-second Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 6th March, 1968."

MR. DEPUTY-SPEAKER : The question is :

"That this House agrees with the Twenty-second Report of the Committee on Private Members' Bills and the Resolutions presented to the House on the 6th March, 1968."

The motion was adopted.

16.01 Hrs.

**RESOLUTION RE : GOLD CONTROL—
contd.**

MR. DEPUTY-SPEAKER : There are 1 hour and 29 minutes left for this resolution.

SHRI S. KANDAPPAN (Mettur) : Time should be extended.

MR. DEPUTY-SPEAKER : But the mover of the second resolution also must get some time at least to introduce it. We shall see how the debate proceeds. The Minister also must be given 10 to 15 minutes to reply.

SHRI SEZHIYAN (Kumbakonam) : If it is a favourable reply, then there need not be any discussion. Let him say there will be no control.

MR. DEPUTY-SPEAKER : Now, Mr. Xavier.

SHRI S. XAVIER (Tirunelveli) : Sir, the text of my resolution is :

"This House is of opinion that Government should withdraw Gold Control in view of the country-wide agitation and hardship being encountered by goldsmiths, etc."

The Gold Control Order was promulgated on 10-1-63 as part of the Defence of India Rules for the control of transactions in gold and articles made of gold. The objects of this measure were three-fold : 1. To reduce the demand for gold; 2. To bring about a reduction in gold prices.

3. To prevent the smuggling of gold into the country. Now we have to see whether these objectives have been achieved, what are the beneficial results flowing out of this measure and what are the evil effects it has produced. After weighing the pros and cons of this measure, I would like the House to consider whether the scheme should be continued or dropped once and for all.

I will narrate whether each of these objects has been fulfilled or not. Straight-away I can say the objects have been completely defeated and not fulfilled in the least. The proof of the pudding is in the eating, says the proverb.

16.04 HRS.

[SHRI G. S. DHILLON *in the Chair*].

Has this measure prevented smuggling of gold? Not at all. In fact, it has increased. There are daring and lawless spirits everywhere in the world. It has resulted in more underground dealings and secret and blackmarket sales are much greater than ever before. The prices of gold have gone much higher.

Secondly, the demand for gold has not decreased at all. The desire for gold is innate in women. No law or ordinance can curb the desire for gold which is inherent in womenfolk. Any law seeking to do this will be futile.

The Gold Control Order has not established Indian economy or reduced the prices of other commodities. The price of gold has gone higher. It has not, as desired or thought by the Government, reduced the price of gold. On the contrary, it has increased the prices of other commodities as well. So it has an adverse effect instead of having any sanguine effect, and the measure in this respect also is an utter dismal failure. Thirdly, there are the evil effects. These are the three things for which Government proposed this measure. In achieving these three objects the measure has been a failure.

What are the evil effects, the adverse results, flowing out of this measure? Gold is an ornament not only for women, it is also the credit of the country, an ornament to the country. The Gold Control Bill has been condemned in all quarters. It has become a political, social and eco-

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conomic cancer, I would say. It has shattered the very foundation and fibre of the Indian society and its economy. Gold was respected not only now. Vikramaditya had named his nine advisers as *Navaratna*. Foreign plunderers and invaders took away gold even from our temples. So gold was respected even by those who did not like India.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. C. PANT) : Ratna means gem and not gold.

SHRI S. XAVIER : It means jewel which includes gold. It is not iron, the base of it is gold.

My second point is, the Bill offends the very fundamental rights guaranteed in the Constitution of India. It is contrary to the principles laid down in the Chapter dealing with fundamental rights. Article 19(i)(f) gives freedom to acquire, hold, possess and dispose of property. Article 19(i)(g) gives freedom to practice any profession or carry on any trade or business. Government has completely violated these principles by bringing this Bill. It has gone to the very root of the principles cutting them as under.

About twenty lakhs of goldsmiths in the country have been deprived of their freedom, their right to pursue their traditional profession. They were uprooted in life, thrown out of employment by one stroke as if by a gale or an earthquake. They do not know any other profession. They are traditional artisans and their families have been ruined completely. Several hundreds of goldsmiths have committed suicide. It is a shame to the Government. Some of them sought other employment. But where is the work for them? There are already millions of educated young men suffering for lack of employment. The Government instead of solving the existing unemployment problem has increased the problem by introducing this Gold Control Bill and throwing the goldsmiths out of employment. This measure has resulted in putting restrictions on the profession of the goldsmiths.

The Government has established a hierarchy of officers under the Gold Control Board, an Administrator and some other staff. Their duty is to harass the goldsmiths

as much as possible by making inspections of the conditions laid down for continuing or pursuing the profession of goldsmiths. The conditions are that the goldsmiths must take out licences which they must display in their working places. They are required to keep accounts and send daily reports. The cruelty indulged in by this administration is that when applications are sent for licences the officers concerned find fault with them, point out some defects in the applications and reject them. Most of the goldsmiths are illiterate people and they find it difficult to rectify the defects. The result is that their applications are rejected and they get completely frustrated being unable to follow their profession.

Some applications have been rejected and many have been cancelled on the ground that the forms are defective. On a number of occasions the officers go and inspect the shop or working place of the goldsmith which amounts to harassment of not only the goldsmith but also the consumers or users of gold, because they lose confidence in the goldsmith. I am told that very soon Government is going to stop issuing licences to the goldsmiths. What will be its effect on the goldsmiths? Will it not be a very cruel measure on the part of the Government of India?

The goldsmiths cannot take up any other profession. I know many cases in which goldsmiths have opted for manual labour for which they are not accustomed. They work even in salt pans, carrying mud on their heads. Many people have died because of starvation and destitution. Many families have been forced to resort to begging. Instead of trying to solve the unemployment problem, why should the Government add to it? Should they not try to alleviate the sufferings of the goldsmiths? But they are not doing it.

Though the Government have brought in some relief measures, we have to see whether those relief measures were fruitful or beneficial to the goldsmiths. If we look into the scheme of relief measures for rehabilitation of displaced goldsmiths, we will find that these schemes have been a dismal failure.

The goldsmiths were following a traditional and technical profession. They have a specially inherited interest and inclination for doing the art of jewel or ornament

making. They have a craftsmanship of their own. Only members of a particular community can do that work so well. They do not know any other profession. When the Government give them some money for taking up some other profession, they do not know what to do with the money because they do not know any other profession. Instead of encouraging and improving their professional skill and craftsmanship and using their profession for national progress and earning foreign exchange, the Government are adopting a policy which will kill that industry.

These professional goldsmiths could not enter any other profession with success. They could not do petty trading or engage themselves in agriculture. They do not know it. Because the amount that was given to these people is quite inadequate, they had to borrow from outsiders and thereby they became submerged in more and more burdens of loans. Then, some of the goldsmiths got the money from the Government, spent the entire money and then became penniless. They could not take up any profession. So, some of them resorted to begging or taking up some menial jobs. The relief measures undertaken by the Government do not go to the root of the evil and they give no consolation to the goldsmiths. The problem of the goldsmiths could not be solved by the Government.

Today 2 million goldsmiths with their children are in the streets, expecting the Government to drop this obnoxious measure so that they can be restored to their original position and without any restriction they can follow their profession. This is a self-employing profession and if these controls and restrictions are removed, they will be restored to their original position and there will be an end to the hardships and difficulties of the goldsmiths.

Then I can bring in another reason or justification why this measure should be dropped, and that is the financial implications of this unwise scheme. It has created a new form of bureaucracy and a new form of corruption and heavy fruitless expenditure. The Gold Control Board, the Administrator and the staff consume more than Rs. 20 lakhs per annum on establishment. Then, Rs. 6.5 crores is advanced as loan

to the States and Rs. 4 crores are advanced as loans to goldsmiths. This is unnecessary and unwanted financial burden.

Then there is another point. The loans could not be recovered from the goldsmiths because they have spent the money already and now they are destitute. So, it will be cruel on the part of Government to think of recovering this money from the goldsmiths. But showing all hardships and putting all restrictions on the goldsmiths, the government has created a problem of life and death for the goldsmiths. In short, instead of the Gold Control Order, it has become the Goldsmith Control order.

Now, I would like to come to the next point. The Gold Control has destroyed the village or the rural economy. This is a very vital point. Gold forms the backbone for the entire rural credit structure. The indigenous bankers who still meet 60 to 70 per cent credit requirement of the farmer, normally, advance loan on the basis of gold security. The Gold Control has come as a serious blow in that it has destroyed indigenous banking system without providing any other alternative.

The banking is unknown in the villages. Nobody knows about the banking at all. For any emergency purposes, they remove their jewels and gold and rush up to any money-lender to pledge them and get money in no minute to meet their expenditure. That is the whole rural banking structure. Gold is an easy avenue of investment for these farmers. But the Gold Control has taken away one of the avenues. This may well result in a pressure of demand for land resulting in increasing land price and consequent increase in cost of production in agriculture and consequent increase in the price of foodgrains. Due to this unwise measure of Gold Control, the agriculturists have received a set-back in agricultural production. They cannot raise money at the proper time of raising the crops. That has led to the set-back in the agricultural production.

Now, I come to the rights of the people to use, to possess or to have gold and gold ornaments. That is an elementary right guaranteed under the Constitution. Any citizen can have gold and gold ornaments, to use gold ornaments and possess them. This measure goes against the fundamental

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rights of the people. This measure has not found favour or support with the people. It has been received with condemnation in all quarters of the community. Dr. L. M. Singhvi who was one of the Members of the Joint Committee, when the Bill was attempted to be brought in this House and when it was sent back to the Committee, has pointed out how this Bill was against the total weight of the evidence laid before the Committee and that no class of citizens came before the Joint Committee to say one good word about the Bill.

I now quote *Indian Express* dated 17-7-64 which in an article about this says :

"There is a roaring blackmarket. The proposed law would be a dead letter and bring neither credit to the Government nor to the Parliament. It has become a mockery and farce in actual practice and the people and the Parliament are made a party to this act."

The Government cannot check up the soaring price by the Gold Control. Why is the price of gold higher now? It is not on account of craving for gold by the ladies. The currency has been debauched by the Government due to the Five Year Plans and deficit financing. By the deficit financing to meet the expenditure involved in the unproductive, unremunerative sector of industries, the Government deliberately and cold-bloodedly created inflation.

The Auditor General of India, in his Report, in March 1964, said that there were 45 public enterprises and only 10 make some profit, the remaining 35 made a loss. Investment of 1200 crores of rupees over public enterprises made a loss of 12 crores of rupees. From a recent Report, we see that from April, 1967 up to December, 1967, a sum of Rs. 22 crores worth of loss is there in the public sector industries. This is the wasteful investment which is the direct cause of gold problem. In fact, there is no gold problem now. There is only the currency problem in the country. The Government, with all its wasteful expenditure during the 20 years rule, has failed to give a clean and honest currency. The Government must give a clean and honest currency.

It is sometimes said that the great economist Keynes justified some amount of inflation. It is a great insult to the great man. Keynes has said :

"Debauching a currency saps the foundation of society more subtly, swiftly and permanently than any other conspiracy."

Inflation is anti-social and anti-socialistic as it hits the poor people most.

For the benefit of the Government and to cover up its misdeeds and unwise policies, the poor goldsmiths are being crucified on a cross of gold by those opposite.

Why should the Government cling to this Bill at all? There are two motives behind this Bill : (1) to grab the gold that exists in the country to meet the foreign obligations, the Government have to repay Rs. 1200 crores in foreign currency towards capital and interest during the Fourth Plan and for this, gold is required; (2) to fool the people that something is being done.

Lenin, the great communist, once boasted and said :

"We will make public toilets of gold in the streets of the world's largest cities."

Lenin has gone but the gold remains. Russia is not making toilets out of gold, but it is used to buy grains in the world market.

Many years ago, Mahatma Gandhi, talking in Wardha to Mr. Louis Fischer, the well-known author, said :

"If he had his way, he would open the vaults of the Imperial Bank of India and the Reserve Bank of India to take out all the gold and distribute it among all the villagers of India, so that the economic power which was concentrated in the hands of the Government could be decentralised and distributed in the hands of the people."

The Indian rulers in the past like Asoka, Akbar, Vikramaditya, etc., were noted for their benevolent rule...

MR. CHAIRMAN : It is a very bad practice that is developing in this House that a Member should read the whole

speech. One should not read the whole speech; he may have notes to refer to.

SHRI S. XAVIER : History tells us that on seeing the sufferings of the people, Asoka was moved and he renounced his position as a ruler.

We have adopted Asoka Chakra in our national flag. The ruler here, the Finance Minister, should not be adamant. He must be benevolent. He must be just to the people. The Asoka Chakra in our national flag indicates these three things : justice, mercy and benevolence. So, the Finance Minister must make the people happy. He has been kind enough to drop the annuity deposit scheme. Like that, he can reconsider this measure. The Government must reconsider this measure and drop this measure because it has affected the entire community of goldsmiths.

MR. CHAIRMAN : Resolution moved :

"This House is of opinion that Government should withdraw Gold Control in view of the country-wide agitation and hardship being encountered by goldsmiths, etc."

There are some amendments to this motion. Mr. Om Prakash Tyagi is not here. The other amendments are by Shri S. M. Banerjee. Is he moving ?

SHRI S. M. BANERJEE (Kanpur) : Yes, Sir. I move :

That in the resolution,—

for "the country-wide agitation and hardship being encountered by goldsmiths, etc."

substitute—

"Government's failure either to reduce price of gold, stop smuggling or to unearth concealed gold." (2)

That in the resolution,—

add at the end—

"and announcement to this effect should be made immediately, but not later than the 31st March, 1968." (3)

MR. CHAIRMAN : D. C. Sharma.

SHRI S. S. KOTHARI rose—

MR. CHAIRMAN : I will call the members party-wise, one from this side and one from that side turn by turn.

MR. D. C. Sharma.

SHRI D. C. SHARMA (Gurdaspur) : I am a consistent opponent of this Gold Control Bill. I was the only Congress Member who opposed this Bill when it was first moved in this House. I think, I was very wise. The older a man grows, the greater is his allergy to gold. I think, this Gold Control Order should be repealed today. The gentleman who is in charge of this today on the Treasury Benches is very young and I do not think that he has that antipathy to gold which old men have.

That is my only hope. But I may say one thing. When I was a student of the 10th class, I read a book called 'Book of Golden Deeds'. I was told that gold was the ultimate measure of excellence, the ultimate standard of greatness, heroism and other things. Therefore, we were told that gold was not as filthy, as pernicious and as useless in terms of value as it was made out at that time. I think gold is still there in this world and continues to be the standard of value in this world. As long as this world lasts, nobody can take away from the people the love of gold.

The fact of the matter is that we have not been able to fulfil any of the objectives put forward when the Gold Control Bill was passed. We have amended it also. But it has proved a still-born child. It has not done any good to anybody. But one thing it has done. In this country when engineers are unemployed, where instructors of fitness schemes are going to be unemployed, where teachers do not get the jobs they want, where other ranks of people do not get the kind of jobs they are fit for, goldsmiths also have become unemployed.

One of the policies, and a pernicious policy, of this Government has been to uproot people from their hereditary professions without giving them any substitute. The result has been that 20 lakh goldsmiths are going abegging. They do not have any source of livelihood; they do not have any mainstay for their life. That is what we

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have done. Therefore, I would say that this Act has brought good to nobody.

I am told that some great men were weighed against gold. Even there, there have been some scandals. I do not know why they were weighed against gold if gold was an evil thing. Yet they were weighed against gold. Gold has not been able to be brought out of the bowels of the earth by anybody. Therefore, I would say that this Act has been one of the most nasty measures the Government of India has been able to put on the statute book.

As has been said, I think this legislation is unconstitutional. No goldsmith has had the courage or the money to go to the High Court. When I was in Hoshiarpur, I wanted to see that the rickshaw pulling should not be there. It was inhuman to see human beings pulling human beings in rikshas. I wanted that it should be stopped. I took this matter up. Ultimately, I was told that you could not take away the profession of anybody, because it is a gainful profession.

We have taken away the gainful employment of these goldsmiths without giving them anything in return. The result has been misery, disaster, destitution, unhappiness and what not.

What has the Gold Control done? In this free country of ours, we have only done one thing. We have done one thing with the utmost zeal and aplomb: we have been multiplying this bureaucracy. Acharya Kripalani sitting here some days back said that 33 per cent of this bureaucracy could be dispensed with. I think he was right. But no. We have not a Gandhian State; we do not have a republican commonwealth. We have a bureaucratic State. We are always trying to multiply the bureaucracy. So we must have an Administrator of Gold Control. We must give him powers to issue licences and all that. I think this is against our Constitution, against our conscience, against the order of policy we are building. These goldsmiths must be treated as an integral part of our society. Anyone who tries to harm them or takes away from them their profession is, I think, doing wrong.

You know so many marriages are celebrated in Delhi. I asked somebody: don't

you give any gold ornaments to the daughters, to the daughters-in-law, to other relatives? Gold is there; gold ornaments are being made on the sly, in a subterranean way, in a hole and corner fashion. Why are they making this society, this Indian society, which was pure, uncorrupt and scrupulous, into a society where these persons have to have recourse to black-market and such wonderful obnoxious practices?

Therefore, this Gold Control Act should be repealed and goldsmiths must be given a chance to earn their livelihood as they were earning before.

SHRI S. S. KOTHARI (Mandsaur): I should like to emphasize the colossal failure of the Gold Control Regulations in that none of the objectives spelt out by the Finance Minister when he introduced this measure, against almost universal opposition, have been fulfilled. The first objective was that it would reduce the lure of gold and would bring out concealed gold. Then they wanted to reduce smuggling so as to save foreign exchange; they also wanted to reduce the internal price of gold so that the gap between the internal price of gold and the international price would be covered. But in none of these objectives, has there been any degree of success practically.

Actually, the Gold Control Regulations have had adverse effects upon the economy, besides of course, inflicting upon the poor, hardworking goldsmiths untold misery, unemployment and hardship; in some cases, there have even been reports of family suicides. It is a pathetic tale, rendered tragic beyond words. I would revert to it later.

It is understandable that the Government intended to curb the drain on foreign exchange by checking smuggling. What was actually an administrative problem however has been wrongly handled. You cannot check smuggling by introducing gold control measures. Actually, these control measures have not had any impact on it, with the result that smuggling today is probably as much as it was ever before. Besides, the seeds of failure were inbuilt. The fantastic gap between the international price and internal price of gold could not possibly be bridged by gold control measures. The main reason for this gap is inflation

in the country whereby the international value of the rupee has fallen considerably. Inflation had been generated by defective planning, wrong priorities and concentration on heavy industries and outlays far in excess of available resources. Uncontrolled deficit financing, wastage and unproductive utilisation of part of the enormous resources, which through taxation measures have been diverted from private hands to the public exchequer, provided fuel to the fire of inflation. Inflation is the most insidious form of taxation, which affects adversely the poor and the middle-classes. This also explains why the demand for gold is so great and why the price is so high. It is not just the acquisitive instinct of an obsessionist desire to board gold with millions of people; they acquire gold because in a regime of rising prices gold is a stable hedge against inflation. Its universal acceptability and easy negotiability render it an insurance against bad times and it has been so traditionally. Thanks to the policies of the Government, the rupee today has depreciated to such an extent that its value is about 12 paise of the old, pre-war rupee. It is no longer the silver rupee; it is a nickel or copper rupee or, shall we say, a dishonest rupee, which has shrunk in value. The lesser the confidence in the rupee, the greater, obviously, is the confidence in gold and the desire to acquire it. In the international market, the condition of the rupee deteriorated to such an extent and exports suffered so much that devaluation had to be resorted to. But even after devaluation, the black market price of rupee in terms of dollar is less than the official value of Rs. 7.50 per dollar. Naturally, it is not only the price of gold that has gone up; it is the price of practically every commodity that has increased and that is what we see today. There is actually no problem of gold, it is actually a problem of ensuring a stable currency, an honest rupee that does not depreciate in value. The solution to the problem of gold lies in resolving the basic problem of inflation and artificial measures like gold control are doomed to failure as they have inbuilt in them the seeds of their failure. It is like treating the symptoms without going to the root of the disease and without diagnosing the disease, no treatment can cure the illness. On the contrary, the gold control order, by placing restrictions on its purchase, has aided and abetted inflation. What actually happens is that money which would other-

wise, normally, have gone to the purchase of gold, finds an outlet in hoarding and stocking various foodstuffs and other commodities and goods including investments in land and houses and unproductive avenues, so that the prices of these also have gone up, much to the detriment of the community as a whole. Smuggling continues unabated and dealings in gold have passed into undesirable hands and there are clandestine operations. The normal trade channels have been disrupted. The bureaucracy which has to administer gold control has acquired tremendous power and in the wake of such exercise of power, inevitably an element of corruption which has crept in. It is estimated that the Government has lost Rs. 28 crores of revenue in the form of income-tax and sales tax which the goldsmiths and dealers in the country used to pay. Administrative expenditure has naturally gone up without any commensurate benefit. Gold control had an adverse affect on the agriculturist. Gold constituted a commodity against which he could always borrow money to buy seeds and fertilisers and sometimes even bullocks. Today he is in difficulties because he is unable to invest in gold and so he holds back his grain as much as possible which leads to a rise in prices in times of scarcity.

Sir, I now come to the last and, I would say, the pathetic part of my speech. The intense suffering inflicted upon the poor goldsmiths is as tragic as it is real. Lakhs of persons have been thrown out of job, and suicides have also been committed, as I said earlier. Rehabilitation, however effective—and in this case the Government's record is poor—is no substitute for the original, traditional trade. The skill that the goldsmith has acquired over a period of years is traditional and it has been handed down to him from his forefathers. He is unable to work on brass or iron or to run any small machinery in which he is expected to acquire skill. The consequence is that most of the loans that the Government gave have been eaten up by the poor goldsmith and his family in times of distress and now he is unable to pay back the loan. Besides, with the regulations having become a little less restrictive, he would like to go back into his profession again.

[Shri S. S. Kothari]

I would draw the attention of the Minister particularly to this point. It is an irony that the goldsmith who has been rehabilitated by the Government or who is supposed to have been rehabilitated, has been debarred from returning to his old profession. That would indeed be ironical because this aid of yours would prove to be a course to him and he would be debarred for the whole of his life from re-entry to his profession. I request the hon. Minister to kindly devote his attention particularly to this point.

The Prime Minister sometime ago gave certain promises to the goldsmiths who had gone to demonstrate. The demonstrations were over, but I regret to say that the Prime Minister, it appears, failed to keep the promises given to them. Not only have these promises not been honoured but the legitimate grievances of the goldsmiths have not been attended to. The consequence is that they are losing faith in themselves and in the Government.

I would like to make certain suggestions which are of great relevance in alleviating the hardship of the goldsmiths. The date for getting licences should be extended and kept open. Why should you debar any new goldsmith from obtaining a licence? If a young boy comes of age and learns the trade and wants a licence, how can you in all morality or by any standard, refuse him entry into the profession? How can it be kept as a close, esoteric circle? You cannot do it. When the young apprentices come of age and when they acquire the necessary skills and they want a licence, they should be granted the requisite licence, so that they could become honourable and respected members of the profession of goldsmiths.

Then, within some limits, the Government should allow the goldsmiths to buy standard gold bars and ornaments from customers. The public should be allowed to keep some gold per family, it may be about 250 grams which they could use to convert into ornaments on the occasion of marriages and so on. Then, the goldsmiths should have something to fall back upon. All the gold, other than foreign gold, which have been seized by the excise authorities should be returned, and the goldsmiths should be treated compassiona-

tely. A large number of cases have been filed against the poor goldsmiths who do not have the means or wherewithal to fight those cases against the strong machinery of the Government, which moves truthlessly. I reiterate that those cases should be withdrawn.

Besides, more avenues for work should be provided to the goldsmiths. At a time, the goldsmiths should be allowed at least to possess 1,200 grams of gold. I believe that according to the present regulations, the goldsmith is allowed only a pitiful quantity, about 200 grams which is about 18 tolas. What can a goldsmith do with 18 tolas? He is not even able to earn a fair or reasonable living for his family. He lives in semi-starvation. I would, therefore, urge upon the Government to consider this matter on compassionate grounds and increase the present quantity to 1,200 grams which is about 100 tolas or something like that.

The power of gold is supreme and even the Government of India cannot destroy it by its fiat. The Government may try to reduce its value and ask the people to produce 14 carat gold, but that is not acceptable to society and as has been shown, such measures are doomed to failure. Even the communist countries value gold and at times when they require commodities, even foodgrains, they go to the international market and use gold for it. Let not the Government sacrifice the poor goldsmith at the altar of its misguided and ruinous policies. It has only added to its own unpopularity and achieved nothing either for the country or for the Congress Party. Gold control has failed miserably. I would urge on the minister and the bureaucracy to study the measure again and decide to withdraw this draconian measure, which has done no good to anybody.

SHRIMATI TARKESHWARI SINHA (Barh): Sir, this Gold Control Order has had a very chequered history. But for its very serious implication on unemployment of goldsmiths, which was not tackled properly, when this order came into existence, it did have a very great impact. There was a definite disenchantment against wearing gold ornaments even in villages. I remember in the beginning when it was introduced, I want to attend a marriage in

a village and there was one lady wearing lot of gold jewellery. There was a talk among the uneducated women how she could wear so much jewellery after the coming into existence of this order. There was also a psychological impact on the poorer sections who felt that there had been a kind of a equalisation of social prestige by removing this lure for gold, which was till then the criterion for social recognition in the villages. So, it did have its impact.

There were no doubt problems of unemployment of a large number of goldsmiths, but if the Government had continued taking action under the gold control order, surely we would have been in a position to bring about a social revolution in the country against the lure of gold. But it did not happen. There were agitations and as usual the Government succumbed to it. They should have had the courage to stick to it, because Government action also brings about public education. If the Government was convinced about it, the initial difficulties could have been removed at that earlier stage. But Government wanted to play to the popular gallery and the order was diluted. It is a fact that the control, as it is today, has more windows and doors than walls and substance. It has everything which should not be there. It is being disobeyed. It is an all-permissive law.

How do you exercise control when you allow old ornaments to be changed into new ones? Who is going to investigate which ornaments were brought to the gold smith? A person can take old ornaments weighing 5 tolas and take back new ornaments weighing 10 tolas, saying he had originally brought 10 tolas of old ornaments.

There are other provisions in this, which make it a laughing stock in parliamentary legislation. It is not being implemented at all. Probably it is just illusory satisfaction of the Finance Ministry that they have been able to implement it, but they know more than anybody else how it is being implemented.

Therefore, I think, if this kind of truncated Act is to remain it should not find a place in our statute-book and Government should scrap it. If Government had

the courage at that time I think the country would have been much better today. It is a fact, nobody can deny, that this country which is the poorest of all countries in the world has the privilege of buying and selling gold at the highest price that is ever paid for gold, and this country is a paradise for the smugglers. Many questions have been asked in Parliament about smuggling. Hon. Members and the people in general think that Government can stop smuggling. I think Government can never stop smuggling with thousands of miles of border and the price of gold so high in India. The smugglers are so clever that they can find out lot of ways and means of bringing gold, till selling of gold, even if it is risky, is profitable. The margin of profit that gold gives to an individual smuggler goes a long way in compensating him for being behind the bars for a certain period. What is the punishment that we give to a smuggler? The main smuggler does not get caught. It is only the small people, his assistants, who get caught. They have nothing to lose, they have no prestige and if they are caught once in hundred times they do not lose anything. Therefore, smuggling, till the price of gold is a lure in this country, can never be stopped.

It has to be dealt with on a long-term basis. Let this statute be scrapped and a solution a long-term basis for curbing lure of gold be brought into existence. How can it be done? Today, according to the present estimates, we are expecting a good bumper harvest in the country and Rs. 500 crores worth of money would be available in the country. So much has been said about rural earnings and branches of banks working in rural areas. But nothing has been done since the announcement of the social control of banks. If one bank has its headquarters in Delhi, it must have its branch in Calcutta, in Madras, in Bombay and so on. They want to go to the cities only, they do not want to go to the rural areas. If you really go into the history of banking, I think Madras has done wonderfully well. They had the Mettur Project. They had no money for that. They floated a bond in the area to be subscribed by the people of that area. The people had no money. But some banks really exercised their wisdom and foresight. They took the risk. They went

[Shrimati Tarkeshwari Sinha]

and financed the rural areas up to 90 per cent. The banks were also not losers. They could earn interest on their loans. Thus with the people's money the Mettur project was built and it is a pride of Madras today.

If you go through the history of banking abroad, you will find that the rural banking system has produced tremendous results. Why do people want to keep jewels and gold. I think it is not for ornamental sake. I have got a joint family. There are so many women in my family who are my relations. They must have got ornaments to the tune of 200, 300, 500 tolas and so on. But during most of the part of their lives they do not wear them. They do it only occasionally. Even during marriages I see them wearing only one-fourth of the ornaments they have got. It is just passed on from generation to generation. Their satisfaction is, that somebody in the family has got the hoarding power and preserve something. This is the sort of lure of gold. Gold is something very substantial. Everything has depreciated in value except gold. In the case of gold the value has appreciated. My mother purchased gold at Rs. 22 a tola whereas we purchased gold at Rs. 140 a tola. Now I think it is Rs. 160 or Rs. 170 a tola. That is the appreciative power of gold. When it is not the thing which depreciates. Therefore, there is the appreciative power that in operating. Naturally, the capacity to stock them grows and all money is diverted into gold and ornaments. Therefore, this can be stopped only if the lure of gold can be removed by taking a long term measures. If a particular bank has its headquarters in Delhi it should be compelled to open branches in the rural areas of Haryana, Delhi and Eastern U.P. so that they can confine themselves to that particular area, go into the rural areas and mobilise their resources and gear up the village economy. So much can be done there. If the banks go to rural areas, by their very organisation they can act as rural guide and philosophers. The banks have to take courage into their hands. Today their investment programme is so shy. They know only to invest in blue chips; they undertake only confident lending. They never take risks. Meanwhile the farmer is waiting there with his money to invest.

If he does not get anything better to invest, he will buy gold or jewellery. The bank has to make the farmer believe that he is his friend, philosopher and guide. In the foreign countries the banks go to the villages and advise the villagers as to how to invest their money, in what shares, in what companies, how much return they will get and so on. That is the kind of advice which a farmer needs. The banks should become his local guardian.

Take warehousing. Government is talking so much about the need for warehousing. They want Rs. 600 crores to be invested in warehousing. They want to create a capacity of 10 million tons of storage whereas the present available capacity is only 2 million tons, taking into account both the Central and State warehouses. If the banks could provide small warehouses in the villages, the villagers would bring in their goods and also invest their money in the warehouses because they will consider it as a sound investment. If you really want to remove this kind of lure for gold from the people of India, then you have to provide an alternative so that the farmer may feel that his investment in that is getting a better return. There are many other things that the Government can do. The Government should create in them a sense of economic participation so that the villagers may not allow their money to be invested in dead capital like gold.

Then I want to know one thing. What has happened to the proposal for developing paper gold? It was a good proposal. The International Monetary Fund had devised a scheme of paper gold so that the value of gold will be there but the metal is done away with, so that the liability of having the metal will not remain there.

Today South Africa has been trying to pressures world economically, because it could not do so politically. It is trying to reduce the supply of gold. We all know that a country which has got gold today is in a position to dictate to the world the monetary policies. Today the world is divided into blocs, one having gold and another not having gold, dictating the world monetary activities. Because France has got a very big gold stock, it is dictating terms. The United States was in the past if not present, dictating terms and

conditions in the economic field because of the influence of its dollar reserves to compensate for the gold reserve. This is the kind of thing which has plagued the world into very rigid spheres of activity. India is one of the countries which is suffering because of the lure of the people for this yellow metal. I would like to know from the hon. Minister as to what has happened to this proposal, which India had welcomed, about having liquid paper gold in place of metal gold. I hope the Minister would enlighten me on this point. I have some more points to make, but since you have rung the bell, I would abide by your decision and resume my seat.

SHRI SEZHIYAN (Kumbakonam) : The Resolution which has been moved by my hon. friend deserves the support of all sections of the House. It has to be viewed above political considerations and rightly it has been done so. The hon. Member from the Congress party who preceded me and Professor D. C. Sharma who spoke earlier, both of them said in very unequivocal terms that the Gold Control Order should be withdrawn. The Professor said in a very bold way that the Gold Control Order must be withdrawn. The other member from the Congress Party, Shrimati Tarkeshwari Sinha, has got a very unique position for saying this, because she was there as a minister in the Ministry of Finance at the time of introduction of this measure, at the time when the mischief was started. She has herself analysed the hopes that were raised at the time when the Bill was introduced and how those hopes have not been fulfilled. So, both members of the Congress Party have opposed the measure. Professor D. C. Sharma did it from the beginning. Shrimati Tarkeshwari Sinha, who supported it when it was introduced, now feels that it is high time that it is scrapped.

17 Hrs.

The objectives for which the Gold Control Order was introduced in the country were three, and they were : (1) preventing smuggling of gold and thereby conserving foreign exchange, (2) disgorging hoarded gold and (3) reducing the price and demand for gold internally.

If these three objectives have been fulfilled, there will not be any protest at

least as far as the Gold Control's implementation is concerned. The whole world knows; the Indian public also knows, fully well that all these objectives have not been fulfilled. About smuggling of gold, not only gold but of any article, it should be condemned and there can be no two opinions on that. Smuggling should be stopped. But it should be dealt with in other ways, not by punishing the poor goldsmiths in the rural areas. Smuggling of gold is not done by goldsmiths. It is done by organised rackets of unscrupulous financiers who, by dubious methods, by the abuse of invoicing, over-invoicing and under-invoicing, accumulate foreign exchange and try to bring foreign exchange into the country and it is they who resort to this method of smuggling. Unless these loopholes in the methods of invoicing, foreign trade, and all these things are removed, this smuggling is going to continue for a long time and, as the ex-Deputy Finance Minister herself said, it is going to be here for ever and ever. Therefore, by bringing in Gold Control Order or by putting thousands and lakhs of goldsmiths in the streets, it is not going to solve the problem.

Sir, much is made of the lure of the gold and the hon. lady Member, rightly, pointed out that the womenfolk in villages are not enamoured of gold. Now-a-days, even to make a living is a problem. Who is enamoured of gold to be worn? As the hon. lady Member said, many of the ornaments are not being worn by the ladies themselves. It has become a mode of saving and a form of credit facility also in the rural areas. In these days of inflationary economy, when the value of the rupee is slowly dwindling, almost to 10 to 14 per cent, there is only one safety vault and that is gold the price of which appreciates year by year. Therefore, those who have lost in the value of the rupees resort inevitably to gold. So, if they want the system to be reversed, if they want to bring faith of the people in their own currency, then they should stabilise the rupee and they should also protect the savings of not only the rural people but also other people in all parts of the country. Suppose we put Rs. 100 in a bank and take back the amount three years later, the value of it may be worth Rs. 80 or Rs. 90. Therefore, the people would like to put money into

[Shri Sezhiyan]

something the value of which will not be corroded but will be appreciated. Inflation should be curbed; the value of the rupee should be stabilised and then only people will have their faith on their savings in the form of the rupee.

Here, I would like to say one thing more. This 14 carat gold which was introduced by the Gold Control Order in the year 1963 has almost become a farce and a mockery. In the market, nobody buys this 14 carat gold. I do not know why the quality of gold itself was devalued; Government had devalued so many things. This morning, some of the Members were complaining that the waters of Ganges have been polluted. From time immemorial, it has been said and believed by many people that the Ganges was there to absolve the sins of the people. But even the Ganges has been polluted in this regime. In the same way, the quality of gold also has been brought down in this regime. But this has not served the purposes. The 14 carat gold which was introduced with all the fanfare and loud slogans in 1963 is as dead as do. Nobody touches it even with a pair of tongs. It only adorns some of the show-cases in some jewellery. But all the other transactions are carried on openly and in other ways too and everybody gets what he wants by paying a premium. Therefore, this Gold Control Order which was brought about, without any definite implementation, without any assessment as to the good it will bring, has brought only misery on the people. It has encouraged smuggling; it has encouraged the people who defy the law; it has helped the law-breakers who have enriched themselves by bringing in gold, by converting gold into gold ornaments and by passing them on as gold ornaments. Only within five years, just like a Five Year Plan, it has also not succeeded. We have seen five years of misery. Privations, starvations and deaths have been given to so many people. The All India Viswakarma Sangh has reported as many as 200 cases of suicide because of the ill-fated and ill-implemented Gold Control Order. Only last month, on 7th February this year, there were hundreds and thousands of meetings organized by the Viswakarmas and goldsmiths throughout the country and they have unequivocally said

that the Gold Control Order should be scrapped. I was one of those who were in the Joint Select Committee which went into the Gold Control Bill. We received thousands of petitions and we interviewed many witnesses, and I can say that not a single petition, not a single witness, came forward arguing in favour of the Gold Control Order. The entire bundle of 5,000 petitions and hundreds of associations came forward saying that it should be scrapped. In the teeth of such an opposition, this was brought in by the Finance Minister. Afterwards he himself was reported to have told this to Shri Hanumanthaiya; Shri Hanumanthaiya made a pronouncement in the House itself that even the Minister was not in favour of Gold Control Order in its present form and that it should be scrapped. I do not know what he is going to do. This is not a question of Party. Let us not take into consideration the numerical strength of the Party. Even when the Gold Control Bill went to the Joint Select Committee, many of the Congress Members openly put a dissenting note, not agreeing with the basic tenets of the Bill. Even now we have seen that the two members who spoke from the Congress side clearly said that the Gold Control Order should be scrapped; one of them started with a pious hope and ended saying that the Gold Control Order should be scrapped; and the other gentlemen started in a bold way and said that it should be scrapped. Therefore, there can be no two opinions about this. Smuggling should be stopped not by the Gold Control Order, but by the other means, by having strict measures to prevent smuggling, not by punishing about two million goldsmiths, artisans and their dependents. That is not going to solve the problem.

I would appeal to the hon. Minister not to look at this from the prestige point of view, not from the Party point of view. This is a national issue affecting two million people, and the sense of the House has been very clearly pronounced by the various objections raised against the Gold Control Order and by the demands that the Gold Control Order should be scrapped. This should be done immediately as per the amendment given by Shri S. M. Banerjee, which I support wholeheartedly.

SHRI C. K. BHATTACHARYYA (Rai-ganj) : On this point we have had the benefit, a number of times, of hearing the Ministers in office and the Ministers out of office. Usually, opinions are bound to differ before the experience and after the experience. I wish we could come to a point where opinions are agreed even before and after this effect of the Gold Control Order has been studied and applied. In any case so far as my experience goes, at the time this Control Order was introduced, there was a necessity for it. I live in one of the major capitals of this country. I do not know how this happened; we found that, in Calcutta, there was a period when goldsmiths' shops came into existence on the streets like mushrooms. At every street corner, a goldsmith shop was found suddenly coming up. That showed that there was some underground source through which gold was finding its way into the market, and that was causing havoc to Indian economy by way of draining out of foreign exchange. But after the experience of this period, we have now to consider whether the original purpose of this order has been achieved and whether this order or its subsequent application should be continued even now.

Of all the objects of the introduction of the Gold Control Order which have been referred to by my hon. friends before me, the main object of the Finance Minister, I believe, was to remove from the mind of the people the attachment to gold. That was the main object, and if this attachment could be removed, then the other things would follow consequentially. That was why he said that he would allow 14-carat gold to be used instead of the 22-carat gold. But from our experience we find that this attachment is not going.

SHRI S. KANDAPPAN : It is all the more increased.

SHRI C. K. BHATTACHARYYA : This attachment is persisting and it should not be characterised as the lure of gold but it should be characterised as attachment to gold.

SHRI NAMBIAR (Tiruchirappalli) : Need of gold.

SHRI C. K. BHATTACHARYYA : This attachment is not something which has been suddenly born, but it is traditional. In fact, we use some amount of gold in all the ceremonies that we have to

perform in our lives from birth to death. In every ceremony from birth to death and in all the social functions in our life, some amount of gold is always used. Particularly at the time of marriage, the *mangalsutra* has to be given; whether it is of 14-carat or of 22-carat it has to be given, and it has to be found from wherever possible. So, the traditional attachment to gold is not going. In fact, when this 14-carat gold was used, I once consulted one of the heads of the State Bank and I asked him what do you think of this? His opinion was that it amounted to spoiling the gold without making any corresponding gain and he asked me to compare the prices of the two types of gold, the 14-carat gold and the 22-carat gold and pointed out that by reducing the content of gold to 14-carat, we were losing money and at the same time we were spoiling the gold.

In any case, the second type of gold, namely, the 14-carat gold which the hon. Finance Minister wanted to be popularised in our society has not found its customers to the extent that he had expected. Therefore, I believe that this matter should be reconsidered. Of course, the political value of gold to which Shrimati Tarkeshwari Sinha referred just now, is there.

SHRI S. KANDAPPAN : Political value?

SHRI C. K. BHATTACHARYYA : Yes, there is a political value also. In fact, I should say that when Mr. Chiang Kai-shek came to Calcutta, the instruction that he gave to his Chinese friends was 'Buy gold with whatever money you earn here and send that gold to China'. So, there is a political value of gold in that way. But that has to be checked and taken care of in a different way than by controlling the goldsmith. That cannot be done by checking the profession of the goldsmith. That has to be done in a different way. I believe means may be found by which this may be done.

I have referred so far to the social use of gold. Now, there is another side of it which strikes me, and it has been striking me all through this discussion and that is the literary side of it. The use of gold has been referred to in our literature all through, and people should have some experience of the yellow metal so that they may know what the actual description means.

[Shri C. K. BHATTACHARYYA]

When we go to the Vedic literature, the description given is :

हिरण्यवर्णा हिरण्यस्रजा,
हरिण्यवर्णा हरिणिम्

From the Vedic period, when we come to the Pauranik period, we find that the wording has been changed, but the attachment remains; the wording then is :

तप्तकाञ्चनवर्णा

and the description of a beautiful woman is :

तप्तकाञ्चनवर्णाभासा श्यामा पारिकीर्तिता

So, far the Pauranik, this traditional attachment to this aesthetic side of the use of the yellow metal continues.

Coming to the later periods, if my Maithili friends were here, they would appreciate what I say, because I am going to quote Vidyapati. Vidyapati's description runs as follows :

अपरूप पंखनुरामा । कनकलताअवलम्बने
ऊचल हरिणी हीन हिमधामा

In fact, when the Gold Control Order was coming into existence, I caught hold of Shri Jagjivan Ram and told him 'You are bespoiling vidyapati', and he said 'I agree. Vidyapati has given that description, but this order has to be introduced'. In any case, this is by the way and this has no relation to finance but this has some relation to the feelings of social beings as we are who have some love for and utilise the beauty and utility of this yellow metal in our social customs as well as in descriptions in our literature which our poets have indulged in.

I suggest that the matter might be reconsidered now not only in the interests of the goldsmiths but in the interests of the society in general so that some means may be found by which the gold necessary for the people might be utilised and at the same time the purpose of the Finance Minister may be achieved.

MR. CHAIRMAN : Now, Shri S. M. Banerjee. He should be as brief as possible.

90 minutes had been allotted for this resolution. We have already exhausted 80 minutes. So, I would request hon. Members to be as brief as possible because the hon. Minister also wants to have about 20 minutes.

SHRI S. M. BANERJEE (Kanpur) : He has only to say 'No', and he would not require that much time.

SOME HON. MEMBER rose—

SHRI S. M. BANERJEE : You may extend the time by half an hour.

SHRI SEZHIYAN : You may extend it by one hour.

SHRI TULSHIDAS JADHAV (Bara-mati) : Let us have five to seven minutes at least.

MR. CHAIRMAN : I would request hon. Members to be very brief.

SHRI S. M. BANERJEE : I congratulate my hon. friend Shri S. Xavier on his having brought forward this resolution before this House, at a time when the goldsmiths in the country because of frustration and disappointment are trying their best to wage another campaign against the gold control order. I have moved some amendments to the resolution and I have asked for the substitution of the following words namely :

"Government's failure either to reduce the price of gold, or to stop smuggling or to unearth concealed gold."

You would remember that after the Chinese aggression, the late Shri Jawaharlal Nehru gave a call to the nation 'Ornament for Armament'. That was how the gold control came into existence. The idea of this gold control was threefold. One was to reduce the price of gold and bring it on a par with the international price. Another was to minimise smuggling, if not to eliminate it completely. The third was to unearth concealed or hidden gold. Let us analyse whether this gold control order which has rendered more than two million swarnakars and goldsmiths jobless and thrown them on the streets has achieved any of these ends. I would submit that it has not. The price of gold remains still higher than that in any other country in the world. As for smuggling, it has increased in 1967 as compared with what it was in 1965. Many Walcotts, whether Indian or international, have been born, and the latest case was the huge quantity of gold which came in the BOAC plane and which was detected, and I am told that those persons are going to be left off because they had mentioned that it was metal.

Then, I would submit that control has a sad story about it. I do want that there should be some sort of control on certain things which are scarce in this country. This Government has failed to control everything—whether it is foodgrains control or cloth control or monopoly control or the control of the births or gold control or, lastly, social control of banks, they have failed. I wish them all good luck; unless they control themselves and their organisation, nothing is going to be controlled in this country. Because it has been moved by my hon. friend Xavier who belongs to an opposition party they should not stand on prestige; all Members who spoke including Shri C. K. Bhattacharyya who generally disagrees with us...

SHRI C. K. BHATTACHARYYA : We are magnanimous in that way.

SHRI S. M. BANERJEE : So, it has the support of all the Members of the House. This proposal should therefore be accepted by the Minister. The Gold Control Act is felt to be a useless piece of legislation and if the proposals made by Mr. Xavier are not accepted, the entire country will think that it has become a prestige issue with our Finance Minister and that this Government wants the sufferings of the goldsmiths to continue in the name of gold control. Shri Bhattacharyya said that the primary intention of the hon. Finance Minister was to take away the attachment to gold. He has himself said that gold was needed for everything. I know that we cannot afford to give gold in religious ceremonies; so we give the price of gold Rs. 1.50. But it is still necessary in certain cases to give a pair of kankans or mangal sutra or a pair of churis. When the late lamented Prime Minister Nehru gave a call—ornaments for armaments—I was the first man in Kanpur who took it up and Mrs. Banerjee gave her bangles as donation. I do not know what has happened to them. But how much gold have the Ministers donated from their families. I never give out a slogan unless I translate into action that slogan myself. I am sorry to say that my friend Mr. Sheo Narain whom I consider to be Mr. Lok Sabha... (*Interruptions*) I fully support the proposals. Mr. Xavier has made and unless this order is revoked, within two months, there will be agitation again and

the responsibility for that agitation will lie on this Government alone and people will attribute the stubborn attitude to the hotheadedness of our Deputy Prime Minister. I am sure that he will give second thought to this matter and fulfil the wishes, not only of this House but of the entire nation. This was one of the main points of the manifesto of not only the Communist Party but also of the socialist party and many other parties during the time of the elections. The country has given a verdict against gold control and that is why the Congress lost in nine States. They were about to lose in the Centre also but thanks to their stars, they still survive. In conclusion, I say that I fully support Mr. Xavier's resolutions and while saying so, I request him to accept any of my amendments which he feels he can accept.

SHRI S. KUNDU (Balasore) : Mr. Chairman, Sir, this Gold Control Order which was supposed to control the gold-lure in our country has actually controlled the goldsmith. It has failed to control the possession of gold or the circulation of gold in India. What has it done? The result is this. It has forced about 200 poor goldsmiths to commit suicide and about 20 lakhs of goldsmiths in the country to be unemployed. The Government side-tracked the issue in a sense. The issue was to get at the gold and to see that the lure for possessing and using gold is gradually removed. If they wanted these two things, they should have brought in appropriate legislation banning the wearing and use of gold. But they did not do that, because the elections were nearing, and if they did that they would not get any vote. Therefore, in an indirect way they wanted to catch at the neck of the poor goldsmiths.

In India the price of gold is about Rs. 175 to Rs. 200 per tola, whereas outside it is about Rs. 60 per tola. The scarcity of gold has been created, firstly, due to more internal consumption and secondly, due to lesser production inside India. Then there is the instinct of possessing gold by the blackmarketors and hoarders who do not want to keep their black money with them; they want to buy gold with the black money and keep it, because, if they build houses or if they invest somewhere, they will be caught and they will be asked to give explanation as

[Shri S. Kundu]

to where they got the money with which they built those houses, etc. So, the best thing for them was to resort to gold smuggling business, and to stock gold. Therefore, in India, the smuggling of gold has taken a large proportion of trade, and these blackmarketers and hoarders are now possessing crores of rupees worth gold. It is said that about Rs. 3,000 crores worth of gold is available in India today.

There was another object also. To defeat our adverse balance of trade, it was thought advisable that we must possess gold. The first thing to be done is to unearth the gold hoarded in our country, which this Government has failed to do, because they do not want to do it. I would like to bring to your notice one instance. When the scheme for gold bond was announced, it was said that these who would give gold would be free from the levy of income-tax and wealth-tax to that extent. I think one of the Maharajahs—the Maharaja of Darbhanga gave about nine maunds of gold to this Government. A man from Rajasthan also gave about two maunds of gold; he presented it to Shri Shastri; he had some ingots with him. This shows that in our country there is lot of gold—tons and tons of gold—and if the Government wanted to catch the gold possessed by these Maharajahs, Maharanis, black-marketers and hoarders and speculators, they could have easily caught them by bringing out a legislation or otherwise which would directly go to the root of the problem. But by resorting to this, what they have done is, they have actually not controlled the gold, but they have controlled the poor goldsmith. Therefore, I submit that this is not a solution to the problem. The monster is a very big one: the Gold Control Order is just throwing some slices, some pieces of bread through the chinks of the wall to a big monster. Therefore, I request the Government to withdraw this Bill. There have been persistent requests from the 20 lakhs of goldsmiths to help in their endeavour to continue in their business. The co-operation of these poor goldsmiths in making ornaments of artistic quality should be obtained. Particularly those goldsmiths who have learnt this art from generation to generation know how to make ornaments of artistic quality. We must preserve this quality and we must find out

international markets for certain specific type of ornaments. We should see that we add it to our handicraft industry and try to sell it and earn foreign exchange instead of scuttling the poor goldsmiths through this order. I request the Government to withdraw this order and give relief to the poor goldsmiths by removing the restrictions on grant of licences, renewal of licences, keeping accounts, etc.

MR. CHAIRMAN: The allotted time of 1½ hours is over.

SHRI S. KANDAPPAN: It should be extended by 1 hour more.

MR. CHAIRMAN: There is a half-hour discussion at 6.30. Till then this can go on. (Interruptions).

17.32 Hrs.

[MR. DEPUTY-SPEAKER in the Chair]

श्री प्रेम चन्द वर्मा (हमीरपुर): उपाध्यक्ष महोदय, यह जो रेजोल्यूशन यहाँ पर चल रहा है, इस के लिये डेढ़ घण्टे का टाइम था, आपने खुद एनाउन्स किया था। एक घण्टा 32 मिनट हो गये हैं, इसके लिये ज्यादा टाइम नहीं बढ़ाना चाहिये, मेरे रेजोल्यूशन पर, जो कि नम्बर 1 है, उस पर डिस्कशन होना चाहिये। अब यह डिस्कशन आगे नहीं चल सकता है, इस के बाद मेरा रेजोल्यूशन लिया जाय।

MR. DEPUTY-SPEAKER: When the discussion started, there was a demand for extension and I said I will consider extending it by half an hour. The minister also requires about 20 minutes. If hon. members can finish in 3 or 4 minutes each, I can allow a few more.

श्री मोल्लू प्रसाद (बांसगाँव): उपाध्यक्ष महोदय, इस देश में इस सरकार ने कई बन्दियां चालू कर रखी हैं जैसे नसबन्दी, नशा बन्दी, चकबन्दी, सोनाबन्दी, कई तरह की बन्दियां चलाई गई हैं, और अब एक पांचवी बन्दी भी यह सरकार इस देश में चलाने जा रही है, वह है पार्टी बन्दी—वामपंथी पार्टी के खिलाफ। इस देश में यह सरकार चारों में असफल रही है, नसबन्दी में असफल रही, नशा बन्दी में असफल रही, चकबन्दी में

असफल रही, सोना बन्दी में असफल रही और अब वामपंथी पार्टी बन्दी में भी यह शायद असफल रहेगी।

अभी हम ने एक बड़े नेता का भाषण पढ़ा था, उस भाषण में उन्होंने कहा था कि जो कानून स्वयं अपने ऊपर इस्तेमाल न किया जा सके, वह दूसरे पर लागू करने के लिये आदेश नहीं देना चाहिये। आज इस देश में नसबन्दी योजना चल रही है, जब से यह कानून बना है, इस पार्लियामेंट में जितने लोग हैं, उन में से कितने मदस्य ऐसे हैं जिन्होंने नसबन्दी कराई और सदस्यायें ऐसी हैं, जिन्होंने लूप लगवाये हैं—समझता हूँ कि ऐसा कोई नहीं है।

एक नरफ नो सरकार उपदेश देती है कि नशा बन्दी हो, नशे की चीजें न खाई जायें, लेकिन दूसरी तरफ शराब के ला मेन्स, गांजे के लाइसेन्स और दूसरी नशे की चीजों के लाइसेन्स देते चले जा रहे हैं, नये-नये कारखाने खुलते जा रहे हैं, उन पर कोई रोक नहीं है। जिनने भी कन्ट्रोल हुए हैं, वे सब गलत हुए हैं और उन का कहीं भी पालन नहीं हो रहा है। जहां तक सोने का सम्बन्ध है, यह कानून सन् 1962 में लागू हुआ, लेकिन उस का क्या नतीजा निकला? मैं चाहता हूँ कि जब से यह कानून लागू हुआ, तब से आज तक कार्यक्षेत्रवार कितने लोगों की गिरफ्तारी हुई, कितने तस्कर व्यापारियों को पकड़ा गया, कितनों पर मुकदमा चला और कितने लोगों को सजायें हुई—मंत्री जी, अपने जवाब में जरा ब्यौरेवार इस पर प्रकाश डालें।

अभी ता० 6 के 'पेट्रियोट' में एक खबर छपी है कि ता० 5 को बम्बई में आबकारी विभाग के सुप्रीन्टेन्डेन्ट ने छापा मारा, जिसमें 1 करोड़ 5 लाख रुपये का सोना पकड़ा गया—अब बतलाइये इस से कहां नियन्त्रण हुआ, क्या कहीं तस्करी व्यापार में कमी पड़ रही है? कुछ लोगों ने कहा कि जेवर पहनना आकर्षण की बात है। जब मैं गोरखपुर में भाषण देने के लिये खड़ा होता हूँ तो वहां का जवान आदमी भी बड़ा नजन आता है

और यहां कनाट-प्लेस के चोराहे पर अगर बालों का ख्याल न किया जाय, तो बूढ़े भी जवान दिखाई देते हैं। तो आकर्षण आदमी की तन्वस्ती से होता है। गांव में कहते हैं कि नन्दरुस्त भंस अच्छी लगती है, तो क्या स्त्री-पुरुष अच्छे नहीं लगेंगे। इस लिये, उपाध्यक्ष महोदय, आकर्षण की दृष्टि से मैं इसे नहीं चाहता, लेकिन जहां तक इस के उद्देश्य का सम्बन्ध है, वह उद्देश्य पूरा नहीं हुआ, इस के द्वारा तस्करी रुक नहीं रही है, मंत्रियों और थैली-शाहों की तस्करी आज भी चल रही है। आज सोने का अन्तर्राष्ट्रीय मूल्य 62 रुपये हैं, जब कि हिन्दुस्तान में 175 रुपये और 200 रु० मूल्य है। मंत्रियों और थैली-शाहों के जरिए तस्करी हो रही है, उसे रोका नहीं जा रहा है लेकिन स्वर्णकार और गरीब मजदूरों को जो ऋण दिया गया है उसको भी वसूल करने की योजना बन रही है। स्वर्णकारों को जितना भी ऋण दिया गया है वह समाप्त किया जाए और स्वर्ण नियन्त्रण कानून जहन्नुम में जाए। नहीं तो यह सरकार भी जहन्नुम में चली जाएगी।

श्री रणधीर सिंह (रोहतक) : डिप्टी चेरमैन साहब, चीन के माथ हमारी जो नड़ाई हुई, उसका सबसे ज्यादा असर लाखों गरीब मुनारों पर पड़ा। वैसे तो सारे देश पर असर पड़ा लेकिन यह लोग बिल्कुल बरबाद हो गये। लाखों की तादाद में आदमियों की रोजी चली गई। यह एक बड़ी भारी परेशानकून बात है जिसकी तरफ सरकार को देखना चाहिये। मैं मान लेता सरकार की बात अगर, जो धंधा वे करते थे उसका आधा धंधा भी सरकार उन्हें दे देती। जो उनका नुकसान हुआ है उसका 10 फीसदी भी सरकार पूरा कर देनी तब भी ठीक था लेकिन लाखों की तादाद में जिन आदमियों का यह प्रोफेशन था, उनको उखाड़ फेंकना मेरे ख्याल में यह वैसी ही हासल है जैसे कि ईस्ट पाकिस्तान से और मगरिबी पाकिस्तान से रिफ्यूजी भाई

[श्री रणधीर सिंह]

यहां आये। यह बड़ी गम्भीर बात है। जो रेजोल्यूशन पेश हुआ है मैं न सिर्फ उसकी हिमायत करता हूँ बल्कि यह महसूस करता हूँ कि इसको मंजूर किया जाना चाहिये।

डिप्टी स्पीकर साहब, मैं सिर्फ इतना ही कहना चाहता हूँ कि अगर आप इसका कोई इलाज नहीं करेंगे तो मुल्क के अन्दर जो बेकारी है, लड़के बेकार हैं, मजदूर बेकार हैं, पढ़े-लिखे, इंजीनियर बेकार हैं, यह लाखों की जो बेकार सेना है उसमें यह भी शामिल हो जायेंगे और देश में जो इस समय आन्दोलन है वह और भी तेज हो जायेगा। तो इससे देश की इमेज अच्छी नहीं बनेगी।

जहां तक यह बात है कि डिफेंस के लिए फारेन एक्सचेन्ज चाहिए या और दूसरे कामों के लिये सोना इकट्ठा करना चाहिये, मैं आपकी तबज्जह इस तरफ दिलाना चाहता हूँ कि देहात में पहले एक सुनार सारे गांव को फीड करता था लेकिन अब वहां सबसे ज्यादा बुरी हालत उस सुनार की ही है। गोल्ड कंट्रोल आर्डर का एक बड़ा सालेम आब्जेक्टिव है और उस सालेम आब्जेक्टिव के लिए किसी के पैसे को उखाड़ देना ठीक नहीं है। फिर तो वकीलों का धंधा भी छुटाओ, डाक्टरों का धंधा भी छुटाओ, इसी तरह से जो लोग और धंधे करते हैं उनके धंधे भी छुटाओ, अगर बेकारी में इजाफा करना है तो बरना यह चीज विधान के खिलाफ है और एखलाक के खिलाफ है। लोकसभा को इनसे हमदर्दी होनी चाहिए। इस रेजोल्यूशन को यूनानि-मसली पास किया जाय। सरकार इस पर र्यू करे। जो गोल्ड कंट्रोल आर्डर है उसको सरकार स्वर्णकारों की हमदर्दी में वापिस ले।

SHRI K. RAMANI (Coimbatore) : Mr. Deputy-Speaker, Sir, though the DIR has gone still the Gold Control Order remains. It is high time that this Order is also withdrawn. There are nearly 20 lakhs goldsmiths who are unemployed and idle and 200 of them have committed suicide. Moreover, there is a fear in the hearts of the goldsmiths that by introducing an

amendment in this Parliament, they will make this legislation permanent and keep it in the statute book. There is a suspicion in the minds of the goldsmiths that the Government of India is Planning for that.

A number of organisations are passing resolutions, seeking the withdrawal of this Order, and they are sending them to the Government and all other people. I have received a number of such resolutions. From Delhi the Akhil Bharatiya Swarnakar Sangh has sent a resolution. From my own constituency in the Coimbatore district the Viswa Karma Mahajana Sangam and from Mathurai the Certified Goldsmiths Union have passed resolutions and sent them not only to Members of Parliament but also a copy to our hon. Prime Minister. Yet, they have not received any proper reply for that.

If the Government tries to keep the Gold Control Order permanently on the statute book, I warn them that it will result in more suicides, more unemployment and more difficulties to both goldsmiths and also Government.

Now, under the Gold Control Order, there are certain arrangements to issue certificates if those unemployed goldsmiths repay the loans that they have taken from the Government. Even after the repayment of loans, they are not issued certificates. Virtually, they cannot get the certificates afterwards and they cannot do their work and they will not have the employment at all. In such a way, again and again, they are completely rendered unemployed and thrown in the streets. If they do something for their existence they are arrested under criminal laws and some other Act and put into jail. This kind of thing is going on. So, why not Government at least, study their mind and scrap this Act now itself. I am sure all the objectives of the Government have been defeated.

What were the objectives? To dehoard gold, in that they have failed; to stop smuggling, in that they have failed; to lower the Indian market price to a level of international market price, in that they have failed. In such a situation why should they heap the misery upon the poor goldsmiths and force them to commit suicides? Such a thing should not happen. They cannot succeed in their objectives. In this country, they themselves have admitted that

more than 3000 crores of rupees of black money, unaccounted money, is there and it is getting circulated throughout the country. Very big people who are there with this money are hoarding gold. That is why the international gold smuggling racket is taking place. The Government is not in a position to control that.

MR. DEPUTY SPEAKER : The hon. Member should conclude now.

SHRI K. RAMANI : These are important points and we are not allowed to speak. So many hon. Members have spoken. Why not we get more time to speak ? This is the most important thing. Tomorrow, there may be action by the goldsmiths here in the streets of Delhi. Then, the whole thing will come up again. Why not the Government make up their mind now itself and scrap the Gold Control Order ?

They cannot control anything. The 14 carat gold has gone; the D.I.R. has gone. All these things have gone. Still why the Government keep this Gold Control Order ? This is the question raised by the goldsmiths who are suffering. In this House, many hon. Members have spoken and they might have spoken about the goodness of gold and its worth. But that is not the most important thing. The most important thing is black-marketing, smuggling and hoarding of gold. That thing is taking place in spite of Gold Control. The Government is issuing licences to dealers and refusing to the workers. Ultimately where will these poor workers have to go ? They will have to go to the dealers to work under them as workers, who have enough money and who are hoarding gold in the name of purchasing gold.

MR. DEPUTY SPEAKER : He must conclude now.

SHRI K. RAMANI : I am concluding. The gold smiths who have repaid the loan to the Government must get certificates. If the Gold Control Order is scrapped now, then there is no question of issuing the certificates. Therefore, I request the Government to scrap these orders and look into the demands of the unemployed workers and do whatever things are necessary and respond to the Resolutions and

the calls sent by the different organisations from different parts of the country.

SHRI V. NARASIMHA RAO rose—

MR. DEPUTY SPEAKER : The hon. Minister.

SHRI RANGA (Srikakulam) : He should be allowed to speak, Sir. The mover of the Resolution is not going to take much time in his reply. Some time may be given to Mr. Rao.

MR. DEPUTY-SPEAKER : No reply by the mover then. The Minister will reply but mover of the Resolution will have to surrender his right of reply. All right. Shri V. Narasimha Rao.

SHRI V. NARASIMHA RAO (Parvathipuram) : Mr. Deputy-Speaker, Sir, I rise to support the Resolution regarding immediate withdrawal of the Gold Control Order in view of the country wide agitation and hardship being encountered by goldsmiths, etc. The original purpose of the Gold Control Order was, according to the Minister, to prevent smuggling of gold into the country and to change the habit of Indian ladies having love and lust for gold, overnight. Has any of these objectives been achieved ? According to me none of these objectives has been achieved. Smuggling of gold not only continues unabated but has increased since the promulgation of the Gold Control Order. It was Rs. 40 crores when the Gold Control Order was promulgated and now it is of the order of about Rs. 70 crores. There is an added benefit to the smugglers in the shape of insurance. The gold which is intended to be smuggled into India is insured at a premium of 15% of its value in the Middle East from where gold smuggling emanates.

The Indian ladies' love for gold is not for the purpose of hoarding, but because it acts as a security and guarantee against any unforeseen happenings, i.e., in the event of their being deprived of their livelihood because of the death of their husbands or the earning members of their family, expenditure on marriage, etc. Our ladies only cover up such expenses and such tragedies only with the help of the security in the shape of gold. Our ladies, therefore, can never be asked to part with gold and it will not be humane to expect them to part with gold.

[Shri V. Narasimha Rao]

With the deficit financing increasing day by day which is eating into the value of our rupee, more and more people are resorting to keeping their savings in the shape of gold and other precious metals as the value of gold does not depreciate.

Thousands of artisans and goldsmiths who were selfemployed, earning their livelihood without any favour from the Government or the local authorities have been rendered unemployed.

I, therefore, appeal to the good sense of the Treasury Benches to retrace its step before it is too late. It is never too late to amend and I hope that they will amend it in this particular case. There are thousands of people who have been crucified on the cross of gold. Our Party, as has already been made clear on numerous occasions, will continue its determined opposition to the Gold Control Order until it succeeds in getting justice for our poor goldsmiths and artisans.

श्री तुलशीदास जाधव (बारामती) :

उपाध्यक्ष महोदय, जैसा आपने कहा है मैं ज्यादा बक्त नहीं लूंगा और एक, दो मिनट में एक, आध सुझाव रख कर अपना स्थान ले लूंगा।

हाउस के अन्दर भी और बाहर भी पहले भी और अब भी यह मांग की जाती रही है कि यह गोल्ड कंट्रोल आर्डर समाप्त किया जाय और मेरी भी राय है कि देश की हालत देखते हुए यह गोल्ड कंट्रोल आर्डर हटा दिया जाय।

दूसरी बात यह है कि जो गरीब सुनार लोग हैं उन को चूँकि लिखना, पढ़ना नहीं आता है इसलिए यह सब एकाऊंट आदि रखने में बड़ी तकलीफ होती है। मैं सरकार से चाहूंगा कि सुनारों के जिन लड़कों का शिक्षण सरकार की मदद से चालू है उसे चालू रखने देना चाहिए और बीच में उस को खत्म न हो जाने दिया जाय। उन्हें अपना शिक्षण पूरा करने की सुविधा देनी चाहिए। सरकार को इस बात को देखना चाहिए कि उनके

लड़कों के शिक्षण का जो उसने इंतजाम किया था वह बीच में अधूरा न रह जाय और वह पूरा हो।

प्रधान मंत्री जी ने 9 अगस्त और 29 अक्टूबर को इस बात का आश्वासन उनके एक शिष्टमंडल को दिया था कि वह इस गोल्ड कंट्रोल आर्डर में सुधार कर देगी और यह 14 फीट वाली चीज उस में से निकाल देगी। मैं चाहता हूँ कि सरकार उस पर अमल करे।

जो बड़े सराफ लोग हैं उनको तो सहूलियत प्राप्त है लेकिन गरीब स्वर्णकारों को वह सहूलियतें प्राप्त नहीं हैं। जब तक उन के वास्ते कोई दूसरे मुनासिब धंधे का इंतजाम मुनासिब न कर दिया जाय तब तक उनका वह धंधा खत्म न किया जाय और उन्हें करने देना चाहिए और आवश्यक सुविधा भी उसके लिए सरकार को प्रदान करना चाहिए।

जो स्वर्णकार यहां नहीं रहना चाहते और विदेश जाना चाहते हैं उन्हें उस के लिए आवश्यक परमिट पासपोर्ट, बीमा आदि देने की बात सरकार ने स्वीकार की थी लेकिन वह उन्हें नहीं दिया जाता है। मेरा कहना है कि जो बाहर विदेशों में जाना चाहते हैं उन्हें उसके लिए बीमा और पासपोर्ट सरकार को देना चाहिए।

दूसरी बात मुझे यह कहनी है कि अभी पुलिस अधिकारियों द्वारा जो सुनारों की दुकानों पर छापे मारे जाते हैं और अभी नियम के मुताबिक सुनार अपने यहां 200 ग्राम से अधिक सोना नहीं रख सकता है और हालत यह है कि जेवर उसके यहां जो बनने और मरम्मत होना को आते हैं वह अक्सर 200 ग्राम से अधिक के भी हो जाते हैं। अब वह बेचारा उस जब्ती के खिलाफ कोर्ट में अपील नहीं कर सकता है। वह खाली अपील गोल्ड कंट्रोल ऐडमिनिस्ट्रेटर के पास ही कर सकता है तो मेरा कहना है कि उसे कोर्ट में उस जब्ती के खिलाफ अपील करने

का अधिकार प्राप्त होना चाहिए क्योंकि जब्तो करने वाले वह अधिकारी और वह गोल्ड कंट्रोल ऐडमिनिस्ट्रेटर एक ही डिपार्ट-मेंट के होते हैं।

जैसा मैंने कहा सुनार नियम के मुताबिक 200 ग्राम सोना हा रख सकता है लेकिन हमारे जेवरत अक्सर 200 ग्राम से ज्यादा के हो जाया करते हैं तो कायदे के मुताबिक वह उनको रख नहीं सकता है तो भेरा कहना है कि इन लिमिट को बढ़ा कर वजाय 2 तांले के 5 तांले के जेवर तक रखने का उसे इजाजत होना चाहिए।

आज इस तरह के जो कंट्रोल आदि हैं उन से वह सुनार लोग बहुत हैरान हैं और मैं चाहूंगा कि सुनार को जितने वजन का जेवर हो उसे रखने की उसे इजाजत दी जाय। वह इस तरह के नियमों से बहुत परेशान हैं। वह भूखे, प्यासे हैं। मेरी सरकार से विनती है कि उन को धंधा करने की सुविधा प्रदान करें और यह जो कंट्रोल इस तरह के हैं उन्हें हटा दे और यह गोल्ड कंट्रोल आर्डर हटा दिया जाय।

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. C. PANT) : Mr. Deputy-Speaker, Sir, I have listened to this debate with the care and attention it deserves....

AN HON. MEMBER : No, think of the goldsmiths.

SHRI K. C. PANT : I have taken a very careful note of whatever suggestions have been offered in the course of the debate by my hon. friends on this side and that side of the House. I agree with these hon. Members who have said that this is not a party issue. Parliament has passed the Gold Control Bill, and once Parliament has adopted a certain measure, it is Government's duty to pursue at least the spirit of that measure in full. If it does so, I do not think you can taken Government to task for that. Therefore, there is no question of any partisan spirit in so far as the legislation adopted by Parliament is concerned.

SHRI RANGA : It was passed here in a partisan way.

SHRI K. C. PANT : I hope a veteran democrat of the standing of Prof. Ranga knows that once a majority decision is taken by Parliament, it becomes the will of Parliament and there is no better method that anybody knows.

SHRI PILOO MODY (Godhra) : Yes there is.

SHRI RANGA : It is not an all-party decision.

SHRI K. C. PANT : In the course of the debate, I found that many hon. Members did not take note of the changes that have been made in the original scheme.

SHRI KANWAR LAL GUPTA (Delhi Sadar) : Why don't they scrap it ?

SHRI K. C. PANT : I want to persuade him.

SHRI KANWAR LAL GUPTA : Let him first persuade his own party members.

SHRI K. C. PANT : I will persuade them also.

SHRI KANWAR LAL GUPTA : He himself is not convinced.

SHRI K. C. PANT : Many changes have been made in the original scheme of which due note should be taken while discussing the present situation.

SHRI S. XAVIER : As if we do not know the changes.

SHRI K. C. PANT : Be that as it may. I do not want to beg the issue. Are we clear about our objectives in this matter ?

SHRI RANGA : We are very clear.

SHRI K. C. PANT : Let us be very clear whether the objectives, which many hon. Members said were our objectives when this scheme came into being are laudable, whether they are worthy objectives, whether they are objectives which are in the national interest or not.

SHRI RANGA : None at all.

SHRI K. C. PANT : Are we clear about our objective that smuggling into this country should stop or not ?

SHRI PILOO MODY : But not at the cost of starving 10 million people.

SHRI K. C. PANT : If we are clear of our goal, the only question that remains is whether we are moving in that direction or not. At least in my mind, in the mind of my party on this issue. . . .

SHRI KANWAR LAL GUPTA : Not the party, only you.

SHRI K. C. PANT : I hope my hon. friends opposite who subscribe to progressive views will certainly also subscribe to this measure. I have to say this with reference to the speech of my hon. friend, Shri Banerjee, because I thought that the Communist Party at least did subscribe to the basic principles behind this measure.

The point has been made again and again these objectives had not been achieved.

SHRI S. M. BANERJEE : We are opposed to it.

18 hrs.

SHRI K. C. PANT : Allow me to express my surprise at your posture, I do not think you have progressive views, may be reactionary views for all I know. Just because you are of the Communist Party, it does not mean that you have progressive views. It is the attitude we adopt to certain measures that determines our progressive inclinations.

The point has been made that the objectives behind this measure had not been achieved. Now, are these bad objectives in themselves ? If we are agreed on the objectives, we should be agreed that we should move towards them. We should think of the best method of achieving those objectives.

I have been listening with some surprise to those hon. Members who had wanted Government to have the original measure watered down, but who now are objecting to the slowing down of the implementation of the measure. After all, if the original measure were to be watered down, certainly its effectiveness is also watered down. If the original scheme had stood as it was, the progress would have been faster in the direction of the objectives, and we would have achieved more. But they

themselves came before this house and wanted it to be watered down. The logical consequence of that is that the movement towards the objectives has also been slowed down. This has got to be taken into account. Those friends who want the objectives achieved but are today complaining that they have not been achieved should think in terms of making the measure stricter in order that the objectives can be achieved, not the other way. You cannot have it both ways.

SHRI KANWAR LAL GUPTA : Are you convinced by his arguments ?

SHRI K. C. PANT : This is an economic and social measure. In social measures it takes time to have their effect felt. Whether it is the Sarda Act or Prohibition, anything that affects the habits of people, the traditions of people takes time to take effect, because man is a social being, it takes time to influence him. Therefore, in these matters, we have necessarily to move a little slow.

The point was raised about goldsmiths. It is quite true that the goldsmiths did suffer hardship on account of the changes brought about.

SHRI S. XAVIER : They are suffering more today.

SHRI K. C. PANT : You are not enhancing your case by interruptions. I am surprised at this, I listened to them so clamantly. If he is not enamoured of listening to his own voice, let him at least give others a chance.

The very march of change, changes in technology makes many professions obsolete. It is not as if people do not have to adjust themselves, to shift from one profession to another. It is one of the penalties of progress. In this particular case, a measure has been brought about which has necessitated many people to change their profession. The blind forces of change makes many people change their professions. Difficulties are encountered. Here at least my goldsmith friends have the satisfaction of having had to make this change for a higher national purpose. It is given to a very few professions to deliberately make a change in their means of livelihood in order to achieve a higher national purpose. I would say that the goldsmiths deserve our congratulations and thanks for

having helped the country to achieve a higher national purpose.

SHRI S. XAVIER : Do not insult them.

SHRI K. C. PANT : Therefore, while appreciating their spirit of patriotism, I can only request hon. Members opposite also to be helpful in this matter. Government's sympathy and help to the goldsmiths has been mentioned in the House before. I can give some facts and figures.

Broadly speaking, let us look at this problem without any passion, keeping in view the broad framework of our economic needs. We are a poor country. We are trying to progress. The basic difficulty in our way is lack of resources or shortage of resources. The poverty of the country indicates the measure of the resources required. We are poor in resources. At this moment, we need these resources badly. When we tax, naturally there are voices raised against it. When other measures are taken, then voices are raised against them also. Gold is one of the resources of the country. Today much of the resources of the country is locked up in the form of gold. That is not productive in the least. Therefore do we allow our resources to be locked up when if the same resources are released for developmental purposes, it would make a signal contribution to the development of our economy, at a time when we are looking round for every penny we can save and invest? This is the basic question. After all, gold is an inactive form of wealth, a dead form of wealth... (Interruptions) I was surprised to hear my friend Kothari say that people should be allowed to invest in gold rather than in houses.

SHRI S. S. KOTHARI : I did not say so. You have not understood my speech.

SHRI K. C. PANT : You read your speech again. I will be happy if you say that you did not mean it; I shall take your word for it... (Interruptions.)

Reference was made to the lure of gold, the attachment to gold.

SHRI KANWAR LAL GUPTA : Not only by the ladies but by the Ministers.

SHRI K. C. PANT : At least give us that credit... (Interruptions.) Mr. Xavier said that the womenfolk were at all times attached to gold. He was not in this House when gold control measure was debated

here—and adopted. It is a matter of credit to the lady Members of this House that all of them as far as I can remember supported the gold control measures, without exception.

SHRI S. XAVIER : In Delhi, Jaipur and other places, ladies are seen wearing saris interwoven with golden threads.

SHRI K. C. PANT : I hope that Mr. Xavier does not move in those circles. I am a little surprised that he knows about these things.

After all we are not unique in this country in the matter of adopting certain restrictive measures in the matter of gold. If you look around the world, you will find that many of the countries which are admired by one or other section of the Opposition—some admire the United States and others the USSR—have adopted measures to control the sale of gold. I can give you instances.

AN HON. MEMBER : No, no... (Interruptions.)

SHRI K. C. PANT : Neither free trade nor free ownership of gold is allowed in the USSR. The same applies to Albania, Hungary, Australia, Bulgaria, Cuba, Czechoslovakia, Indonesia, Libya, Nigeria, Philippines, Rumania, Spain, Tunisia, United Kingdom... (Interruptions.) If you want me to give more examples, I can give you.

SHRI PILOO MODY : We are all convinced; let him sit down.

SHRI K. C. PANT : They can show their approval by silence.

SHRI TULSHIDAS JADHAV : Sir, I quote rule 349 of the Rules of Procedure. Rule 349(ix) says :

"While the House is sitting, a member—shall not obstruct proceedings, hiss or interrupt and shall avoid making running commentaries when speeches are being made in the House."

एक मिनिस्टर बोल रहे हैं। उनकी बात को हम मुनना चाहते हैं। पांच दम आदमी गड़बड़ कर रहे हैं। मुनने वाले नब्बे परसेंट हैं और गड़बड़ करने वाले दम परसेंट। मैं जानना चाहता हूँ कि मुनने वालों का क्या कोई प्रिविलेज नहीं है? मैं प्रार्थना करता हूँ कि हमारे जैसे आदमी जो मुनना चाहते हैं

उत्को सुनने का हक है । आपको उन लोगों को बन्द करना चाहिये ।

MR. DEPUTY SPEAKER : What you have said is quite relevant. Again and again I appealed to the hon. Members, sitting on this side. The Minister has given a patient hearing and the Members also should show a little patience to listen to him.

SHRI PILOO MODY : Sir, this is my first point of order. I have never raised a point of order. I submit that this hon. Member is guilty of violating the rule which he has quoted.

SHRI S. M. BANERJEE : Sir, I raise a point of order which is absolutely relevant. I quote rule 356 of the Rules of Procedure. It also applies to the hon. Member. When all the Members said that "we are convinced", he should stop. The rule says....

MR. DEPUTY-SPEAKER : I have read the rule. Is any irrelevancy involved in this ?

SHRI S. M. BANERJEE : Just one minute. The rule says :

"The Speaker, after having called the attention of the House to the conduct of a member who persists in irrelevance or in tedious repetition either of his own arguments or of the arguments used by other members in debate, may direct him to discontinue his speech."

MR. DEPUTY SPEAKER : No, no. You will have to be a little serious.

SHRI S. M. BANERJEE : I am making the point seriously.

MR. DEPUTY SPEAKER : I have already ruled that he is quite relevant; there is no repetition or irrelevance.

SHRI K. C. PANT : I have listened to all my hon. friends opposite with great respect, and I have listened to the hon. Member with great respect. I am a little pained that Mr. Banerjee should have chosen to make light of this matter.

Now, coming to the supply and demand position of gold, accepting that there is demand in this country for gold, will some of the hon. Members explain to me how the supply can be met ? Our indigenous production is very limited. All of them know that the indigenous production of

gold in this country is not enough to meet the demands in this country. Is it suggested that this gold should be imported ? Is it suggested that the machinery should not be imported ? Is it suggested that our Government should not import the components but gold should be imported in order to fulfil the demand ? If it is not suggested, what is the choice before the country ? How is it to meet the demand for gold in the country ? This is the central point, and it is no use begging this question. Either we increase the supply which means we spend foreign exchange, precious foreign exchange and use it for purchasing gold from abroad and bring it to meet the demand, or, alternatively, we allow smuggling to go on freely so that this demand is met. What other way is there ? The third alternative is, demand itself should be whittled down slowly by educating the people and creating proper conditions. I do not know how anyone can quarrel with this basic fact.

It has been said that gold smuggling is going on. If that is the condition when according to them so many restrictions have been put in the way of goldsmiths and gold cannot circulate freely, then how much more smuggling will be there if the restrictions are not there ? Why don't hon. members apply their mind to this question ? I do not think they can seriously suggest that importing gold through illegal channels should be encouraged or that foreign exchange should be diverted to purchase of gold.

It is true we have a long coastline and smuggling cannot be completely stopped by physical methods. Let us accept it as a fact of life. The only way to check smuggling is to reduce the demand. Whichever way you look at it, ultimately this problem can be solved only by reducing demand. There is no other way. This is something on which we have got to agree. Having agreed on this, we have to see about the method. Can we take these measures immediately ? So far as our short-term objective is concerned, it is to take anti-smuggling measures, prevent movement of gold in the country as far as possible and make circulation more difficult by various measures that we have adopted.

I do not want to go over the whole history of the scheme of gold control. I

would refer to one important change in the scheme that was made about the 14 ct. restriction on manufacture of ornaments which was part of the original scheme. That restriction was later removed. There was a review in September 63 when some changes were made in favour of self-employed goldsmiths, permitting them to manufacture new ornaments of more than 14 ct. purity from old ornaments. The central point of their objection was removed at that particular point of time. Parliament endorsed Government's policy underlying the gold control measure at that time by passing the Gold Control Bill in 1965. An hon. member referred to the joint committee which went into this question in great detail. Since 1965 no economic or financial development of any significance has taken place in this country to warrant any change in the basic gold policy. If at all, the worsening foreign exchange situation reinforces the need for stricter adherence to that policy.

I would like to place before the House the main features of the Defence of India (Amendment) Rules notified in 1966, because there appears to be some confusion about the scope of the restrictions. The main features are (a) withdrawal of 14 ct. restriction on manufacture of ornaments, (b) ban on private possession of primary gold, (c) declaration of ornaments above specified limits and (d) stricter Government control over gold refineries with the ultimate objective of State ownership. These are the main changes. The others do not affect the goldsmiths directly. The only one which affects them is the withdrawal of 14 ct. restriction on manufacture of ornaments, which has been done to help them and which has been welcomed by them all along. Even after that, some marginal concessions have been made.

So far as the employment potential goes, the figure of 2 million goldsmiths was mentioned. We had invited applications from self-employed goldsmiths to be allowed to make new ornaments. Only 2.55 lakh goldsmiths applied. 1,09,000 persons have received loans etc. That brings us to a figure of 3.5 lakhs. I do not want to quarrel about the figure. It is roughly of this order.

SHRI SEZHIYAN : 20 lakhs includes goldsmiths and their dependents.

SHRI K. C. PANT : You can multiply it by 5 to bring all the dependents. You must consider what is the potential in this particular profession to grow without the aid of smuggled gold. The employment potential of this particular profession must be kept in view and it must be kept in perspective if we have to take a view on this matter (*Interruption*). I thought my hon. friends would be interested in knowing what rehabilitation assistance we have given to the goldsmiths. If they are interested, may I tell them that advances from the Union Government to State Governments and Union territories for disbursement among goldsmiths amounted to Rs. 13.6 crores out of which Rs. 10.35 crores have actually been disbursed among 1,10,000 goldsmiths. In addition, approximately 25,000 goldsmiths have received other assistance, 1,80,000 goldsmiths and dependents have received educational assistance and technical training facilities under the rehabilitation schemes. These are the various measures we have taken.

Sir, I do not want to take more time of the House. I know that some hon. friends are impatient to move on to the next item of business. In view of the various reasons I have mentioned, Government cannot accept this resolution particularly as it asks for withdrawal of the entire scheme.

Finally, I may inform the House that a self-contained Gold Control Bill is going to come before the House. It is due to be introduced during the current session and all hon. Members will have a chance of debating this whole matter thoroughly when this Bill is before the House. I request them at this stage to withhold their suggestions, and I hope the mover will withdraw his resolution.

SHRI S. S. KOTHARI : Will the Minister consider our suggestions while framing the Bill ?

MR. DEPUTY-SPEAKER : No more questions can be allowed at this stage. There is no time. I shall now put the amendments. There are two amendments.

I will now put Shri S. M. Banerjee's Amendment No. 2 to the vote of the House. The question is :

"That in the resolution,—

for 'the country-wide agitation and hardship being encountered by goldsmiths, etc.'

substitute—

'Government's failure either to reduce price of gold, stop smug-

gling or to unearth concealed gold.'" (2)

The Lok Sabha divided :

Division No. 7]

AYES

[18.30 hrs.

Anirudhan, Shri K.
Banerjee, Shri S. M.
Basu, Shri Jyotirmoy
Esthose, Shri P. P.
Ghosh, Shri Ganesh
Gowder, Shri Nanja
Gupta, Shri Kanwar Lal
Kandappan, Shri S.
Majhi, Shri M.
Menon, Shri Vishwanatha

Mody, Shri Piloo
Nambiar, Shri
Ranga, Shri
Ray, Shri Rabi
Reddy, Shri M. N.
Sezhiyan, Shri
Sharma, Shri Yogendra
Umanath, Shri
Xavier, Shri S.

NOES

Ankineedu, Shri
Arumugam, Shri R. S.
Besra, Shri S. C.
Bhandare, Shri R. D.
Bhanu Prakash Singh, Shri
Bhattacharyya, Shri C. K.
Chaturvedi, Shri R. L.
Desai, Shri Morarji
Dhillon, Shri G. S.
Dhuleshwar Meena, Shri
Gavit, Shri Tukaram
Ghosh, Shri Parimal
Gupta, Shri Lakhan Lal
Hazarika, Shri J. N.
Heerji Bhai, Shri
Jadhav, Shri Tulshidas
Jadhav, Shri V. N.
Jamir, Shri S. C.
Kamble, Shri
Katham, Shri B. N.
Kedaria, Shri C. M.
Khan, Shri M. A.
Krishna, Shri M. R.
Lakshmikanthamma, Shrimati
Maharaj Singh, Shri
Mahishi, Dr. Sarojini
Malhotra, Shri Inder J.
Mrityunjay Prasad, Shri
Murthy, Shri B. S.

Oraon, Shri Kartik
Pahadia, Shri Jagannath
Panigrahi, Shri Chintamani
Pant, Shri K. C.
Parmar, Shri D. R.
Partap Singh, Shri
Parthasarathy, Shri
Poonacha, Shri C. M.
Raghu Ramaiah, Shri
Ram Subhag Singh, Dr.
Ram Swarup, Shri
Rane, Shri
Rao, Dr. K. L.
Rao, Shri K. Narayana
Rao, Dr. V. K. R. V.
*Rao, Shri V. Narasimha
Reddi, Shri G. S.
Sadhu Ram, Shri
Sanji Rupji, Shri
Sarma, Shri A. T.
Sen, Shri Dwaipayan
Sen, Shri P. G.
Sethuraman, Shri N.
Shukla, Shri Vidya Charan
Siddheshwar Prasad, Shri
Swaran Singh, Shri
Venkatasubbaiah, Shri P.
Verma, Shri Prem Chand

MR. DEPUTY-SPEAKER : The result of the division is : Ayes 19; Noes 57.

The motion was negatived.

MR. DEPUTY-SPEAKER : I will now

*Wrongly voted for NOES.

†The following members also recorded their votes :—

AYES : Sarvashri K. Ramani, Moh-

put amendment No. 3 to the vote of the House.

SHRI S. M. BANERJEE : Before putting that amendment to the vote, Sir, the lobbies have to be cleared again.

hammad Ismail, A. Sreedharan, Gadilingana Gowd, S. S. Kothari and V. Narasimha Rao.

NOES : Sarvashri Valmiki Choudhary and K. Suryanarayana.

MR. DEPUTY-SPEAKER : That is dilatory. The question is :

"That in the resolution,—
add at the end—

'and announcement to this effect should be made immediately, but not later than the 31st March, 1968'."

The Lok Sabha Divided :

Division No. 8]

AYES

[18.32 hrs

Anirudhan, Shri K.
Banerjee, Shri S. M.
Basu, Shri Jyotirmoy
Esthose, Shri P. P.
Ghosh, Shri Ganesh
Gowd, Shri Gadilingana
Gowder, Shri Nanja
Gupta, Shri Kanwar Lal
Kandappan, Shri S.
Majhi, Shri M.
Menon, Shri Vishwanatha

Nambiar, Shri
Ramani, Shri K.
Ranga, Shri
Rao, Shri V. Narasimha
Ray, Shri Rabi
Reddy, Shri M. N.
Sezhiyan, Shri
Sharma, Shri Yogendra
Sreedharan, Shri A.
Umanath, Shri
Xavier, Shri S.

NOES

Ankineedu, Shri
Arumugam, Shri R. S.
Besra, Shri S. C.
Bhandare, Shri R. D.
Bhanu Prakash Singh, Shri
Bhattacharyya, Shri C. K.
Chaturvedi, Shri R. L.
Choudhary, Shri Valmiki
Desai, Shri Morarji
Dhillon, Shri G. S.
Dhuleshwar Meena, Shri
Gavit, Shri Tukaram
Ghosh, Shri Parimal
Gupta, Shri Lakhan Lal
Hazarika, Shri J. N.
Heerji Bhai, Shri
Jadhav, Shri Tulshidas
Jadhav, Shri V. N.
Jamir, Shri S. C.
Kamble, Shri
Katham, Shri B. N.
Kedaria, Shri C. M.
Khan, Shri M. A.
Krishna, Shri M. R.
Lakshmikanthamma, Shrimati
Maharaj Singh, Shri
Majhi, Dr. Sarojini
Malhotra, Shri Inder J.

Mrityunjay Prasad, Shri
Murthy, Shri B. S.
Oraon, Shri Kartik
Pahadia, Shri Jagannath
Panigrahi, Shri Chintamani
Pant, Shri K. C.
Parmar, Shri Bhaljibhai
Partap Singh, Shri
Parthasarathy, Shri
Poonacha, Shri C. M.
Raghu Ramaiah, Shri
Ram Subhag Singh, Dr.
Ram Swarup, Shri
Rane, Shri
Rao, Dr. K. L.
Rao, Shri K. Narayana
Rao, Dr. V. K. R. V.
Reddi, Shri G. S.
Sanji Rupji, Shri
Sarma, Shri A. T.
Sen, Shri Dwaipayan
Sen, Shri P. G.
Sethuraman, Shri N.
Sankla, Shri Vidya Charan
Siddheshwar Prasad, Shri
Suryanarayana, Shri K.
Swaran Singh, Shri
Venkatasubbaiah, Shri P.

MR. DEPUTY-SPEAKER : The result* of the division is : Ayes 22; Noes 56.

The motion was negatived.

MR. DEPUTY SPEAKER : Now, I will put the Resolution moved by Shri Xavier to the vote of the House.

The question is :

"This House is of opinion that Government should withdraw Gold Control in view of the country-wide agitation and hardship being encountered by goldsmiths, etc.".

The Lok Sabha Divided :

*The following members also recorded their votes :

AYES : Sarvashri Mohammad Ismail and S. S. Kothari.

Division No. 9]**AYES****[18.34 hrs.**

Anirudhan, Shri K.
 Banerjee, Shri S. M.
 Basu, Shri Jyotirmoy
 Esthose, Shri P. P.
 Ghosā, Shri Ganesh
 Gowd, Shri Gadilingana
 Gowder, Shri Nanja
 Gupta, Shri Kanwar Lal
 Kandappan, Shri S.
 Majhi, Shri M.

Menon, Shri Vishwanatha
 Mody, Shri Pilloo
 Ramani, Shri K.
 Ranga, Shri
 Rao, Shri V. Narasimha
 Ray, Shri Rubi
 Sezhiyan, Shri
 Sharma, Shri Yogendra
 Sreedharan, Shri A.
 Umanath, Shri
 Xavier, Shri S.

NOES

Ankineedu, Shri
 Arumugam, Shri R. S.
 Besra, Shri S. C.
 Bhandare, Shri R. D.
 Bhanu Prakash Singh, Shri
 Bhattacharyya, Shri C. K.
 Chaturvedi, Shri R. L.
 Choudhary, Shri Valmiki
 Desai, Shri Morarji
 Dhillon, Shri G. S.
 Dhuleshwar Meena, Shri
 Gavit, Shri Tukaram
 Ghosh, Shri Parimal
 Gupta, Shri Lakhan Lal
 Hazarika, Shri J. N.
 Heerji Bnai, Shri
 Jadhav, Shri Tulshidas
 Jadhav, Shri V. N.
 Jamir, Shri S. C.
 Kamble, Shri
 Katham, Shri B. N.
 Kedaria, Shri C. M.
 Khan, Shri M. A.
 Krishna, Shri M. R.
 Lakshmikanthamma, Shrimati
 Maharaj Singh, Shri
 Mahishi, Dr. Sarojini
 Malhotra, Shri Inder J.

Mrityunjay Prasad, Shri
 Murthy, Shri B. S.
 Oraon, Shri Kartik
 Pahadia, Shri Jagannath
 Panigrahi, Shri Chintamani
 Pant, Shri K. C.
 Parmar, Shri Bhaljibhai
 Partap Singh, Shri
 Parthasarathy, Shri
 Poonacha, Shri C. M.
 Raghu Ramaiah, Shri
 Ram Subhag Singh, Dr.
 Ram Swarup, Shri
 Rane, Shri
 Rao, Dr. K. L.
 Rao, Shri K. Narayana
 Rao, Dr. V. K. R. V.
 Reddy, Shri G. S.
 Sadhu Ram, Shri
 Sarma, Shri A. T.
 Sen, Shri Dwaipayana
 Sen, Shri P. G.
 Sethuraman, Shri N.
 Shukla, Shri Vidya Charan
 Siddheshwar Prasad, Shri
 Suryanarayana, Shri K.
 Swaran Singh, Shri
 Venkatasubbaiah, Shri P.

MR. DEPUTY-SPEAKER: The result* of the division is: Ayes 22; Noes 56.

The motion was negatived.

SOME HON. MEMBERS: Shame, shame!

18.32 hrs.

RESOLUTION RE: ACTIVITIES OF LEFT COMMUNIST PARTY

SOME HON. MEMBERS rose—

*The following members also recorded their votes:

SHRI H. N. MUKERJEE (Calcutta North East): On a point of order, Sir.

SHRI S. M. BANERJEE (Kanpur): I rise on a point of order, Sir.

SHRI UMANATH (Pudukkottai): On a point of order, Sir... (*Interruption*).

MR. DEPUTY SPEAKER: There is no business before the House now. Let him say a word and then I will listen to you. **Shri Prem Chand Verma.**

AYES: Sarvashri **Mohammad Ismail** and **S. S. Kothari.**

NOES: **Shri Sanji Rupji.**