

jurisdiction under section 34 of the Act neither the High Court of Calcutta nor the High Court of Bombay has ever amended the Letters Patent though they have been given jurisdiction under section 34 either to keep them intact or abolish them. Therefore this Advocates Bill, if it ever comes up, should be corrected by the Law Minister after carefully thinking over the provisions of the Bill in consultation with the different Bar Associations all over the country and with the different Lawyers Associations of the country. If it is not done, the legislation that is being brought now and then to amend the Advocates Act cannot but be a piecemeal legislation.

I would also point out that in the Advocates Bill there is no provision at all for saying that only law graduates will be advocates. I think there should be such a provision in the Bill because we know certain Barristers, even though they are matriculates, are allowed to practise in the High Courts and other courts. That merely shows that the tradition of the British imperialists is still being kept and maintained by the Government. Therefore an amendment should be made that only law graduates—they may or may not be barristers—would be allowed to practise in courts.

Thirdly and lastly, the Advocates Act was enacted in order to ensure uniformity of the Bar. Because of section 34 of the Act, by which the original side of the Calcutta High Court and the Bombay High Court has been kept intact and because of the fact that barristers, though not law graduates, have been allowed to practise and are being allowed to maintain their own separate associations in the different public buildings like the Calcutta High Court building, really there is no uniformity of the Bar and it has not been ensured by the Advocates Act. Therefore, for all these reasons I am opposing this Bill, because this Bill certainly has not been brought forward to ensure all these things to bring about all those amendments. It must be brought forward after a thorough consultation and after seeing that these lacunae are removed.

MR. CHAIRMAN : The question is :

“That leave be granted to introduce a Bill further to amend the Advocates Act, 1961”.

*The motion was adopted.*

SHRI P. GOVINDA MENON : Sir, I introduce the Bill.

[THE DEPUTY CHAIRMAN in the Chair]

THE GOLD (CONTROL) BILL, 1968

—Continued.

SHRI SUNDAR SINGH BHANDARI (Rajasthan) : Madam, on this issue I rise on a point of privilege.

आज हम लोगों के सामने इस गोल्ड कंट्रोल बिल पर विचार फिर से प्रारम्भ होगा। लोक सभा का सदन कल उठ चुका है। गोल्ड कंट्रोल अभी तक एक आर्डिनेन्स के द्वारा अपने देश में लागू है। यह सत्र 6 सप्ताह तक लगभग चला है और दो दिन के बाद गोल्ड कंट्रोल से सम्बन्धित आर्डिनेन्स समाप्त हो रहा है। जब-जब गोल्ड कंट्रोल की चर्चा और गोल्ड कंट्रोल के बारे में कानून बनाने की बात बिजनेस एडवाइजरी कमेटी में या यहां सदन में विचार के लिए आई तो, जैसा डा. ह्याभाई जी ने भी कहा, इस बिल को रश धरू करने की कोशिश की गई। मैं यह मानता हूँ कि एक मनी बिल को छोड़ कर लोक सभा और राज्य सभा की प्रिविलेज और पावर्स हिन्दुस्तान के संविधान में बाकी सभी प्रकार के कानूनों के अनुसार समान है। आज हमको एक ऐसी स्थिति में ला कर रख दिया गया है। फिर यह प्रश्न उठता है राज्य सभा के अधिकारों का। कई बार लोक सभा में इस प्रकार की संयुक्त समितियाँ बननी आवश्यक थी परन्तु राज्य सभा की उपेक्षा कर दी गई। यह मानकर चला जा रहा है...

THE DEPUTY CHAIRMAN : Please do not give a speech. Give your points.

श्री सुन्दर सिंह भंडारी : मेरा निवेदन है कि आज फिर हमको इस बिल पर विचार करने के समय, इसके वजन के आधार पर संशोधन करने या किसी प्रकार के सुझाव देने के अधिकारों से वंचित रखा जा रहा है। मेरा निवेदन है कि आज जब लोक सभा का सत्र समाप्त हो गया और हम एक आर्डिनेन्स की समाप्ति के वर्ज पर खड़े हैं तो या तो सरकार इस बात का आश्वासन दे कि अगर इस बिल को किसी भी कारण से आज हम पास नहीं कर सके या आज इस बिल

[श्री० सुन्दरसिंह भंडारी]

मे यहाँ के हाउस के सदस्यों की राय से उनके तर्कों के आधार पर अगर संशोधन करने की आवश्यकता पड़ती है तो चाहे दूसरा आर्डिनेंस जारी करने की जरूरत ही क्यों न पड़ जाय, मैं गोल्ड कंट्रोल हटाने की बात नहीं कहता। लेकिन राज्यसभा में किसी भी प्रश्न पर हम शांति से अपने वैधानिक अधिकारों के अन्दर विचार कर सकें, संशोधन करने का हमारा मौलिक अधिकार सुरक्षित रहे, इसलिये आवश्यक कि इस बिल पर यह निश्चित रूप से हमें आश्वासन मिलना चाहिये। महज इसी वजह से कि कल आर्डिनेंस समाप्त हो रहा है इसलिए आज इस बिल को किसी भी प्रकार से इसी ही रूप में सदन को पास करने के लिए मजबूर किया जाये, यह उचित नहीं है। जैसे कल भी कई माननीय सदस्यों ने विचार व्यक्त किए, हर एक सदस्य ने इस बिल का विरोध . . .

THE DEPUTY CHAIRMAN : I think you have said enough. Five minutes you have taken.

SHRI AKBAR ALI KHAN (Andhra Pradesh) : It is in our power. You accept, amend or reject it.

श्री सुन्दरसिंह भंडारी : यह तो साफ दिखता है कि जिस स्थिति में हम रखे गए हैं उसके अनुसार आज हमें इस बिल पर स्वतंत्रतापूर्वक विचार करने का अवसर ही नहीं रहा है, और इसलिए मैं आपसे निवेदन करूंगा कि इस सदन की उपेक्षा न की जाये।

THE DEPUTY CHAIRMAN : That will do. I understand what you want to say. There is no point of order. This is a part-heard Bill. We have allotted time in the Business Advisory Committee. We have taken—I do not know exactly—2½ hours. We have 2½ hours left and I think we should be able to finish it, because Mr. Bhandari himself is a Member of the Business Advisory Committee . . .

श्री सुन्दरसिंह भंडारी : उस दिन जब हमने विचार किया था, लोक सभा बैठी थी, यह गुंजाइश थी . . .

THE DEPUTY CHAIRMAN : That does not matter at all.

श्री सुन्दरसिंह भंडारी : मैं आश्वासन चाहता हूँ आपसे कटेगोरिकल। जैसे साधारण बिल पर विचार किया जाता है उसी भावना में इस गोल्ड कंट्रोल के कानून पर विचार करने के लिए हमारे पास अवसर है? क्या हमारा अधिकार समाप्त नहीं हो गया?

THE DEPUTY CHAIRMAN : The point is five hours we were given. We are not concerned whether the other House is sitting or not sitting. We have been given five hours by the Business Advisory Committee and we shall adhere to five hours. If need be we will take another half an hour more, but this must be over today.

SHRI PITAMBER DAS (Uttar Pradesh) : The Business Advisory Committee has not allotted Saturday for it.

THE DEPUTY CHAIRMAN : The Business Advisory Committee does not allot the days in the week. It only allots up to the day we shall sit and work in the Rajya Sabha. It does not allot Monday, Tuesday, Friday like that. It only allots time. The rest is for the House and the Treasury Benches to consider.

SHRI A. P. CHATTERJEE (West Bengal) : On a point of order. . .

(Interruptions)

THE DEPUTY CHAIRMAN : I do not have one point of order.

SHRI A. P. CHATTERJEE : One minute only. The point of order is this. I am not saying anything in disrespect, but when you, as the Deputy Chairman, just now said that the Bill must be finished today the point is this. It is one thing to say that the Business Advisory Committee has allotted five hours for discussion, but quite another thing to say that the House must finish the Bill today. The House, if it so thinks, may not finish the Bill today. May I take it that the words which fell from your lips were said by accident or through an oversight?

THE DEPUTY CHAIRMAN : Please take your seat. It is not that. The Business Advisory Committee has given us five hours. We have had discussion for 2½ hours.

SHRI A. P. CHATTERJEE : Why should you say that the Bill must be finished?

THE DEPUTY CHAIRMAN : Now, you had your say. We have got 2½ hours more. We may take half an hour more or a little more than that, if need be for the amendments, but we must finish the business, otherwise what is the use of having the Business Advisory Committee, if you are going to flout the decisions of the Business Advisory Committee ?

श्री राजनारायण (उत्तर प्रदेश) : माननीया, हमारा पाइन्ट दूसरा है।

उपसभापति : नहीं जी। We cannot go on like this. I think hon. Members must understand that this sort of tactics is not right. No more.

श्री राजनारायण : सुनिये मैं आपका आदेश मान रहा हूँ। आपका आदेश क्या यह है कि जो राज्य सभा का सदन है यह केवल नौटंकी के रूप में रहे ? कोई संसदीय प्रथा दुनिया की डेमोक्रेसी से खोज कर बता दीजिए। 8 घंटा, 10 घंटा डिस्कशन हो लेकिन पास करना ही होगा, यह कहाँ है। यह हमें बता दिया जाये, मैं हाथ जोड़ता हूँ।

उपसभापति : मैं भी हाथ जोड़ता हूँ।

SHRI A. P. CHATTERJEE : The House cannot be compelled.

THE DEPUTY CHAIRMAN : Even the Chair is in the hands of the House.

श्री राजनारायण : जिस परस्थिति में सरकार ने हमको लाकर रख दिया है उसका मतलब यह होता है कि आपको सभी एमेंडमेंट्स को गिलोटिन करना होगा। 180 एमेंडमेंट्स हैं।

THE DEPUTY CHAIRMAN : Mr. Rajnarain, you should withdraw the charge that I will guillotine the amendments. I am in the hands of the House.

श्री राजनारायण : हम चार्ज नहीं लगा रहे हैं, हम वस्तुस्थिति बता रहे हैं।

THE DEPUTY CHAIRMAN : I want to speak also even the Chair is in the hands of the Business Advisory Committee.

श्री राजनारायण : माननीया, आपको ऐसी स्थिति में रख दिया गया है कि इसके अनिश्चित दूसरा रास्ता आप पकड़ ही नहीं सकती।

उपसभापति : आपके हाथ में भी है।

SHRI A. P. CHATTERJEE : But the Members are not in the hands of the Business Advisory Committee.

(Interruptions)

श्री राजनारायण : अमेंडमेंट होगा तो लोक सभा में जायेगा ? अध्यादेश जारी है, रहेगा या समाप्त हो जायेगा ? मतलब क्या है ? बिल्कुल गलत बात हो रही है।

THE DEPUTY CHAIRMAN : Mr. Sen Gupta.

SHRID.L. SENGUPTA (West Bengal) : Madam Deputy Chairman, I stand to oppose the Bill on very vital counts. So far as the Bill is concerned, the Government piloting the Bill has two minds. I have the speech of Mr. Pant in this House on 1st August, 1968. If you look at it, it will show that he clearly states that it is the policy of the Government to make a reduction in the activities of goldsmiths. I am reading the relevant portion of Mr. Pant's speech.

"Shri Achuta Menon questioned the Government's approach to reduce the number of goldsmiths and not allow them to increase. That is precisely the objective of the Government to reduce the number and to see that new entrants do not come in because if the Government is sincere in its policy to control gold and the business in gold, we should not encourage new entrants to come in and then create the same problem of rehabilitation tomorrow. It is only an honest policy that we discourage the new entrants from coming in."

What Mr. Morarji Desai, the Finance Minister, told the Lok Sabha on 24th August, 1968, was just the contrary. I am reading also the relevant portion :

"It has been argued that Government want to exterminate the class of goldsmiths. There cannot be a wilder argument than this."

Mr. Morarji Desai continued :

"I do not want to exterminate goldsmiths. How can they be exterminated?"

[Shri D. L. Sen Gupta]

Further he says :

“Even if I succeed completely in seeing that no gold is smuggled in this country, as I have said already, Rs. 150 to 200 crores worth of jewellery will always be re-made or will be brought into the market for other purposes, and therefore the goldsmiths will always be there. So, there is no question of exterminating goldsmiths.”

Then Mr. Desai further says :

“At present, the number of goldsmiths is about 2 lakhs, but it will go up to 5 lakhs as a result of the new provisions that have been made and the concessions that have been given.”

It shows that Mr. Pant in this House said that it is the honest policy of the Government to reduce the number of goldsmiths, and Mr. Desai said in the other House that the number of goldsmiths because of this measure will increase to 5 lakhs. I want to know categorically who is correct, whether the Minister, Mr. Morarji Desai, or the Minister of State, Mr. Pant.

Madam Deputy Chairman, if you remember the objectives of the Government when the Gold Control Bill was first introduced in the background of Chinese aggression in 1962, the policy was proclaimed that the Government of India wanted to use India's stored gold for purchasing arms from foreign countries and other defence purposes. It further proclaimed that it had for its aim gold dehoarding, stopping of gold smuggling and lowering the market price of gold to the level of international market price. Madam, if we be honest, the Government must admit that they have failed in all the three proclaimed objectives. Smuggling has not been stopped. Smuggling in there in full swing. The international price of gold has not been restored. The international price is Rs. 62.50 per tola, but it is Rs. 180 to Rs. 200 here after gold control. Hoarded gold has not been unearthed. Hoarded gold remains where it was. So, in effect the objective of the Gold Control Order has been totally defeated. There has been no gold control but only goldsmith control. Goldsmiths as a class have been made to lose their hereditary business.

Madam Deputy Chairman, the organisation in West Bengal, namely, Paschim Banga Swarna Shilpa Samiti, which is an affiliate of the Akhil Bharatiya Swarnakar

Sangh, always maintained that the quantity of gold should be controlled, not the quality. If the quality is controlled, then many evils follow. Goldsmiths as a class become unemployed. But if the quantity is controlled, then the dealers may be controlled, smuggling can be controlled, hoarding can be controlled. In effect this was accepted by our Prime Minister, Shrimati Indira Gandhi, when on the 2nd September, 1966 she proclaimed lifting of the 14 carat system which was implemented through the 4th Amendment. But what has happened in this Bill? What we find is again there has been a restriction which will in our submission destroy what benefit was given by the said proclamation. Madam Deputy Chairman, we have as a matter of fact shown how in 1963 when the Gold Control Order was passed more than 200 goldsmiths committed suicide by taking poison in utter frustration. If since then there has been some sort of rehabilitation, I should tell you, Madam, that there has not been rehabilitation of goldsmiths as a class. One or two might have been rehabilitated in other industries, but there was not rehabilitation of goldsmiths in their own industry. In the matter of certification, in the matter of licence, it will be given to those who were goldsmiths up to a particular time, 1963. After that the generation will be completely extinguished. What happens? For after 1963 onwards those who would like to go into the profession of this class are not allowed only because only those who were goldsmiths up to 1963 will be allowed to continue. You will see that in course of time there will be no class to be found as goldsmiths. What is the objective? If you want to keep this class going on, then there should be no time limit. The son of a goldsmith, whether it is 1963 or 1964 or 1965, should be allowed to continue. There should be no time limit. Otherwise what you will be doing is you will be creating lakhs and lakhs of unemployed. Now 25 lakhs of goldsmiths are engaged in this industry. Imagine a situation in this country of ours, where crores of people are unemployed; by this piece of legislation you are throwing 25 lakhs again in the field of unemployment. Is this honest? Has this any moral justification? I would like to tell you here that so far as the object of this Gold Control Bill is concerned, in different conferences of goldsmiths they gave constructive suggestions. These constructive suggestions have not been adhered to. If those constructive suggestions had been adhered to, goldsmiths as a class would have continued to survive without affecting the basic principle underlying the Bill. Government will

gain in getting smuggled gold restricted and by dehoarding of gold. I am giving certain suggestions to the Minister, through you, Madam, for his acceptance :

1. As the nature of the work of an artisan and that of a self-employed goldsmith is the same there should remain no distinction between them and all goldsmiths should be treated as certified goldsmiths and a certified goldsmiths should be allowed to manufacture ornaments.

2. The time limit as envisaged by the Gold Control Order for obtaining certificate by a certified goldsmith will create difficulties for the apprentices and the future generation of the goldsmith. Apprentices who will qualify themselves as independent goldsmiths will not be able to enter into the trade after the expiry of the time limit. Similar will be the fate of the sons and daughters of the present swarnakars who are going to be debarred from continuing the trade of their forefathers. So the provisions for time limit of certificate should be withdrawn and grant of certificates should continue and those who have already applied for certificates, those who have not been able to renew certificates in time, should be granted certificates.

3. Certified goldsmith should be allowed to engage the apprentices for training and they should be given certificates after the period of training is over.

4. A simpler system of maintaining accounts should be introduced so that certified goldsmiths can keep their accounts in their traditional way as the majority of the certified goldsmiths are illiterate and there should not be any restriction of prescribed forms.

5. Certified goldsmiths should be allowed to purchase old ornaments from the public and standard gold bar for the manufacture of ornaments according to the wishes of the customers and public should be given the right to purchase standard gold bars, so that they can make their ornaments from the goldsmiths whose art they chose.

6. Big dealers should not be allowed to receive orders from the customers for manufacture of ornaments.

7. Gold ornaments belonging to a customer but handed over to a swarnakar for remaking should not be confiscated, as this will create fear and confusion in the minds of the customers.

8. The gold which is in the process of manufacturing of ornaments should be considered as primary gold.

9. The permission given previously to keep 50 grams of primary gold for an adult and 20 gms. of primary gold for a child in the family for their accidental necessities should not be lifted.

10. Goldsmiths who have taken financial assistance under the rehabilitation schemes should be given certificates even if they have not repaid their loans and the loans can be recollected on small instalments.

11. All gold except foreign gold confiscated and seized by the excise authorities while under manufacturing process should be returned and the cases should be withdrawn.

12. Common people should be allowed to purchase pure gold for marriage and religious ceremonies.

13. Gold ornaments made in one State should not be permitted to be sent out of the State to another State for sale as that would deprive the swarnakars to get work to earn their bread.

In this matter of gold control, sufficient power has been given to the executives. If the executives so decide, the work of the goldsmiths as a class can be stopped, their certificates can be seized, their licences can be taken away and they can be punished. There is no Court of Appeal on the question of facts; only in the High Court it is there on the question of law. This is a very restricted clause and amounts to the negation of the principles of natural justice and fundamental rights which our Constitution has given to us. Everybody should get justice. What I want to say is that there should be sufficient scope for appeal and as a matter of fact, the swarnakars should be allowed to make and unmake both old and new ornaments.

THE DEPUTY CHAIRMAN: Mr. Brahmananda Panda.

SHRI SUNDAR SINGH BHANDARI: Are we rising for lunch?

THE DEPUTY CHAIRMAN: I think we are sitting through the Lunch Hour. I would ask the House to sit through the Lunch Hour.

SHRI SUNDAR SINGH BHANDARI: We must go for our lunch.

SHRI A. P. CHATTERJEE: We are not interested in getting this Bill passed in a hurry.

THE DEPUTY CHAIRMAN: But we have to go through the Government business. Mr. Panda. Let us not waste time.

SHRI A. P. CHATTERJEE: We are not in favour of sitting through the lunch time.

THE DEPUTY CHAIRMAN: About sitting through the Lunch Hour, the direction is given by the Chairman with the consensus of the House. This is not a new practice. Mr. Bhandari, you have been here in this House for long enough.

SHRI SUNDAR SINGH BHANDARI: We are not agreeable to this.

THE DEPUTY CHAIRMAN : Mr. Brahmananda Panda. Please carry on with your speech.

SHRI BRAHMANANDA PANDA (Orissa): Madam, Deputy Chairman, be it a decree or an ordinance or a piece of legislation, if it is treated by people as a scrap of paper, no doubt it enriches the treasure of the waste paper basket, but the worst of it is that it creates a feeling of disregard and a type of contemptuous indifference towards a Government. After seeing such Bills being introduced, I am reminded of the last Moghul Emperor, Bahadur Shah. He issued firmans to his subedars in Bengal and other places but they were not carried out. It is unfortunate that our septuagenarian Finance Minister has a peculiar knack of making himself unpopular. I do not mind if he is unpopular because every political leader or state man cannot claim popularity always. But this Bill shows that gradually, as he grows in age, he keeps himself away from reality and is making himself rather anti-people. That is the worst of it. Madam, I may remind the House that prohibition became a fraud, brewing became a cottage industry. In the last Budget proposals also we saw him taxing toffees, beeris and even the post card. Now, he hits the common man and at the basic security of the Indian village, that is gold. As I see it, it is not gold control; as I go through its pages and the clauses, it is corruption unbridled. There are certain basic things for a man. India today is not a country of cities, it is a country of villages. Possessing gold as a firm of wealth, may not be there in a few cities where banks are available, where you can go about with a little money and a bank account. But even today in the villages people depend in gold for their lean days. The villager, especially a peasant in the village, when he has a little money thinks

of purchasing domestic animals. If a little more money is available, he purchases a little gold. And if he has enough money, he thinks of purchasing a piece of land. You want to change this pattern of life. It is nothing but an anti-people Bill trying to kill the villager in the country who can depend upon something during this lean days. I tell you, the whole thing is fictitious. It will never work. I know it. Scrap the Gold Control Ordinance because black marketing and smuggling will continue and that is the only thing that we get out of this. If I have a little gold and if I want to make an ornament, I cannot go directly and say that I am making an ornament. If I go to a dealer who sells gold or to any goldsmith, he would not be giving a receipt. I simply give him in confidence. He gets it made by other goldsmiths also. That should be confidential. And he gives it back to me, that also without any receipt or any document. So, the entire thing has become a fraud throughout. In my small town of Berhampore also, there are people engaged in this. Gold comes. People as usual purchase it. They preserve gold in the form of ornaments. And the lust for gold has not gone down. What I mean to say is this. A Government should always face realities. I have been charging in this House off and on on every issue in which I have spoken that this Government is gradually becoming unrealistic. If a Government becomes unrealistic in its attitude and behaviour, it creates a climate, an atmosphere, in the country which will lead to such consequences—I dare not think of them—a revolution, counter-revolutions or chaos, whatever you may call it.

I would like to point out one or two things which are very very unworkable. In Chapter V regarding Declarations clause 17(2)(g) says—

“owned, possessed held or controlled by a Hindu undivided family by the head or *karta* of such family;”

Madam, you see how unrealistic it is. In undivided Hindu families where a girl is to be married the mother puts some gold aside for her daughter and through this Gold Control our great Finance Minister wants that the *karta* of the family or the man who is in charge of the family should come out and say that he has so much of gold. I am reminded in this connection of a saying by the philosopher Bertrand Russell, who said that he would be the last man to give his gold or money to the government because the main purpose of a

government in taking money from the people to clear the debts of the last war and, after that, prepare itself for a new war. They wanted our gold when there was the Chinese aggression. People, even ladies, who do not understand what war is, gave their ornaments. But, Madam, I can tell you with confidence that they did not go to the place where it was needed in the real gold form. The leaders also should have given their gold but they could not give up their lust for it. After all, they are human beings. So they took it all. If 20 tolas of gold was collected from a certain place, only ten tolas went for the war effort. So, Madam, I would request the Government even at this stage to put a stop to this nonsensical Bill because it will lead us nowhere.

One more instance I will give you, Madam, if how it affects us. . .

**SHRI SUNDAR SINGH BHANDARI:** Madam, is it not time for lunch?

**THE DEPUTY CHAIRMAN:** In another few minutes he will finish. Then we will rise. Let him finish.

**SHRI BRAHMANANDA PANDA :** What happens in the case of a clerk when he is transferred? Madam, we, Members of Parliament, have so many privileges. We can go by plane, by rail, by motor or even underground. There are so many privileges for us. But if a third division clerk is transferred from one district headquarter to some other place, he will not get any advance. . .

*(Interruptions)*

**THE DEPUTY CHAIRMAN:** We are all agreed that we will have lunch. Please finish. . .

*(Interruption)*

**SHRI MULKA GOVINDA REDDY (Mysore):** He says he will continue after lunch.

**THE DEPUTY CHAIRMAN:** I do not think hon'ble Members should make such lame excuses. Let him finish. He says he is finishing in a few minutes. . .

**SHRI BRAHMANANDA PANDA:** When a clerk is transferred he is not given any advance. And we know his difficulty when in these days of high prices by the 20th of the month there is no money left in the house even to purchase vegetables and there are quarrels between the hus-

band and the wife. So when a Collector or an Executive Engineer transfers a clerk he has to get some money from out of the little ornament that the wife possesses. . .

**THE DEPUTY CHAIRMAN:** Now you must wind up.

**SHRI BRAHMANANDA PANDA :** I am putting on two rings here, not that I have a fancy for gold or a fancy for these articles. But this is a grim reminder of those days, lean days, when I had to pledge these two articles to send my boy his college allowance. This fetched Rs. 120 and adding Rs. 20 to it I sent him. I do not think every Indian can have a capable son like Shri Kantilal. We are ordinary people. We are not big people, Madam. Therefore, I wish that this Bill should be withdrawn. I oppose this Bill tooth and nail. It is going to become a fraud like the prohibition law or the land reform law. It hits at the very base of a man, of a family. Therefore, it should not be allowed to be passed in this House.

I hope, Madam, as a mother you know what role gold plays in a home when you have a daughter to marry. Suppose I have a daughter to marry. When Mr. Pant has this Bill here, I would definitely flout it because Mr. Pant cannot get me a bridegroom if I were to find one unless I have some gold with me. Every one these days wants a prize. If the bridegroom is an I.A.S. officer he will need a car. A lecturer may require something else. Fortunately, I do not have a daughter. But if you have one you have a duty towards her. The dowry system is still worse. Therefore, whatever little gold you have the mother will never come out with it whosoever is the Finance Minister or any other authority. The *karta* will never give up his gold. . .

**THE DEPUTY CHAIRMAN:** You must wind up, Mr. Panda.

**SHRI BRAHMANANDA PANDA :** Are you anxious for lunch? Then I shall continue after lunch.

**THE DEPUTY CHAIRMAN:** You have taken ten minutes. Please wind up.

**SHRI BRAHMANANDA PANDA:** Shall I continue after lunch?

**THE DEPUTY CHAIRMAN:** No. You must wind up. I have kept the House waiting only for you to finish your speech.

**SHRI BRAHMANANDA PANDA :** I never expected that.

THE DEPUTY CHAIRMAN: I cannot give you more time. We have to abide by the time limit also. I thought you were reasonable.

SHRI BRAHMANANDA PANDA: I am always reasonable, Madam. That is what I am. Thank you very much..

THE DEPUTY CHAIRMAN: Are you finishing your speech? Then I will call Mr. Pant.

SHRI BRAHMANANDA PANDA: Madam, Deputy Chairman . . .

THE DEPUTY CHAIRMAN: I think that will do, Mr. Panda. I gave only fifteen minutes to Mr. Sen Gupta. He did not take even those 15 minutes. You must be very brief.

SHRI BRAHMANANDA PANDA : Madam, you know I am always very brief and precise. I was looking up at the watch. You should give me another five minutes. I do not want an extra second.

THE DEPUTY CHAIRMAN: I will give you two minutes more.

SHRI BRAHMANANDA PANDA : I say there are three things, the three W's. The other two I am not referring to wealth is concerned, until the pattern of preserving wealth is changed, let us not try to hit the common man who is the backbone of India. I accuse this Government because their attitudes are gradually becoming anti-people in every measure they bring forward. They want more power from us, more money from us and I wonder whether that day will not come when they will drag us also to slavery giving us an identity card as they are now giving to the goldsmiths.....

THE DEPUTY CHAIRMAN : That will do.

SHRI BRAHMANANDA PANDA : Goldsmiths are artisans. During the British days, the British Government wanted to kill the artisans. A government, however strong it may be, cannot kill our aesthetic sense which has to find expression either on a piece of gold or on a piece of canvas or in the books . . .

THE DEPUTY CHAIRMAN : That will do.

SHRI BRAHMANANDA PANDA : Therefore, Madam, I request that this Bill

be again suspended and the Ordinance—let them continue it for another three or four months. I am sure, everybody will oppose this measure. Thank you, Madam.

THE DEPUTY CHAIRMAN: What have you to say, Mr. Pant?

SHRI SUNDAR SINGH BHANDARI: Just one minute. You ruled that you kept the House sitting for his speech.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. C. PANT): I am on my legs. I am not yielding. You have called me, Madam. Madam, may I just say..

SHRI SUNDAR SINGH BHANDARI: What is he doing? Is he replying?

SHRI K. C. PANT: Madam, I have only this much to say which my hon. friend should listen. And I think he will appreciate it.

THE DEPUTY CHAIRMAN : Be very brief.

SHRI K. C. PANT: For courtesy's sake, Mr. Bhandari, please sit down. Madam, I can understand the anxiety of my hon. friends to give the closest scrutiny to this Bill. It is entirely up to them to have lunch interval or not. I on my part must make it clear that if they want to sit through the lunch hour they will have their additional Members to speak on their side. I am perfectly willing to sit.

THE DEPUTY CHAIRMAN : Anyway. They are not ready. So the House stands adjourned till 2 P.M.

The House then adjourned for lunch at eight minutes past one of the clock.

The House reassembled after lunch at two of the clock. THE DEPUTY CHAIRMAN in the chair.

THE DEPUTY CHAIRMAN: Mr Chaudhary.

श्री गनेशी लाल चौधरी (उत्तर प्रदेश): माननीय उपसभापति जी, मैं स्वर्ण नियंत्रण बिल को जिस को देश के वित्तमंत्री जी ने हमारे सामने रखा है समर्थन करने के लिए खड़ा हुआ हूँ। मैं जब इस बिल का समर्थन



करता हूँ तो इस लिये नहीं करता हूँ कि मैं आज सरकारी पक्ष में बैठा हूँ या मेरे पीछे सचेतक जी का कोड़ा है बल्कि मैं इस बिल का इस लिये समर्थन करता हूँ कि इस बिल के पीछे एक महान उद्देश्य है। मैं इस बिल का इस लिये समर्थन करता हूँ कि इस बिल के पीछे करोड़ों भूखे और नंगे लोगों की आशाएँ हैं जो वित्त मंत्री जी को टकटकी लगा कर अपने नेत्रों से देख रहे हैं। मैं इस बिल का इस लिये समर्थन करता हूँ कि इस बिल में चोरी और डकैती कम करने की एक क्षमता है। मैं जब यह कहता हूँ कि इसमें चोरी डकैती कम करने की क्षमता है तो वह मैं इस लिये कहता हूँ कि आज मैं देहातों में देखता हूँ जहाँ पर सोने और इस तरह के जेवर रखे हैं वहाँ रोज डकैती, चोरी और इस तरह के हीनस क्राइम्स होते हैं। अगर लोगों के पास सोने के रूप में यह धन नहीं रखा होगा, लोगों का बैंकों में और दूसरी जगह धन होगा। आज देश में जो क्राइम होते हैं वे घटेंगे और क्राइम्स के साथ, अपराधों के साथ देश का जो वातावरण है वह अच्छा बनेगा।

मैं आज इस बिल का इस लिये समर्थन करना चाहता हूँ कि इसमें एक सामाजिक बराबरी की भावना भरी हुई है। आज हम देखते हैं कि देश में जो असमानता फैली हुई है वह गरीबी और अमीरी के ऊपर फैली हुई है। एक समय था कि देश में बुद्धिमान लोग जो होते थे उनकी कद्र होती थी, उनकी इज्जत होती थी। एक समय था कि जो देश में बहादुर होते थे, जो लड़ाकू तन्का होता था उसकी देश में इज्जत होती थी उसकी देश में कद्र होती थी। आज हम देखते हैं कि देश में उसी की कद्र होती है जो आज सोना रखता है, जो आज पैसे वाला है। इसमें यह भी भावना निहित है कि जिन लोगों के पास आज जेवर नहीं है, जिन लोगों के पास आज इस तरह का सोना नहीं है वे आज देश में अपने आप को छोटा समझते

हैं। तो मैं इस बिल का इस लिये समर्थन करना चाहता हूँ कि इस बिल से समाज में एक समानता आयेगी। मैं इस बिल का इस लिये समर्थन करना चाहता हूँ कि इस बिल से देश में आर्थिक फैलाव होगा। लोगों का जो गड़ा हुआ धन है वह आज हमारे देश का ही नहीं है बल्कि आज वह सारे संसार का है, और सारे संसार के लोगों का उस पर अधिकार है। तो आज यह गड़ा हुआ धन जो जेवर के रूप में है, बाहर निकलेगा और उस से देश के जो हालात हैं, देश के जो उद्योग धंधे हैं उन में लगेगा जिस से देश के उद्योग धंधे आगे बढ़ेंगे। मैं इस बिल का इस लिये समर्थन करना चाहता हूँ कि इस बिल में ऐसा धन बाहर आवेगा और जो धन पड़ा हुआ है या जो लोगों के पास बैंकों में पड़ा हुआ रहता है या फिर सुन्दर स्त्रियों के शरीर पर घिस कर समाप्त हो जाता है वह धन जनता के काम आयेगा, भूखे, नंगे लोगों के काम आयेगा जिस से देश का धन बढ़ेगा और देश का वातावरण ठीक होगा।

उपाध्यक्ष महोदया, आप जानती हैं कि देश में बहुत सी असामाजिक परंपराएँ और मान्यताएँ फैली हुई हैं। मिसाल के तौर पर उधर के माननीय सदस्यों ने भी कहा कि इस बिल से क्या होने वाला है। डाउरी बिल देश में आया या छुआछूत बिल देश में आया तो उस से क्या हुआ। मैं यह कहना चाहता हूँ कि इस तरफ यह एक इशारा है कि यह चीज हो कर रहेगी। यह हम जानते हैं कि यह जो विधेयक है यह विधेयक आज समाज को सुधारने वाला है। यह पेनल मेजर नहीं है। और ऐसे बिलों का समाज में देर से असर होता है।

इस बिल के लिये लोगों ने कहा, माननीय सदस्यों ने कहा, चारों तरफ देश में हल्ला मचा और सिर्फ एक ही बात कही गई कि आज अगर यह बिल आ जायेगा तो जो देश में इसका काम करने वाले सोनार हैं उनका क्या होगा। जब कोई देश के सामने

[ श्री गनेशी लाल चौधरी ]

महान उद्देश्य होता है, महान काम होता है तो छोटी छोटी चीजों को नहीं देखा जाता। मुझ को याद है कि 1947 में जब अंग्रेज यहां से छोड़ कर जा रहे थे तो लखनऊ में जितने भी ये होटल वाले थे, होटल में जो काम करते थे, अंग्रेजों के यहां जो नौकर थे, उन्होंने एक मीटिंग की थी और अपनी मीटिंग में यह पास किया था कि अंग्रेजों को नहीं जाना चाहिये क्योंकि इससे हमारा रोजगार या नौकरी चली जायेगी। तो इस तरह की बातें कुछ लोग आकर कहते हैं। तो इससे समाज का जो काम है वह आगे नहीं चलता। मैं वित्त मंत्री जी को बधाई दूं कि वह आज के ऐसे वातावरण में इस बिल को हमारे सामने लाए हैं। हम समझते हैं कि वित्त मंत्री जी ने फिर भी इसमें ढिलाई की है। अगर कोई सख्त, कड़ा वित्त मंत्री होता तो आज जेवर को, सोने को जिस रूप में पहना जाता है उसे बिलकुल बन्द कर देता और लोगों के घरों से निकाल कर समाज में उद्योग-धन्धे में लगाता। साधारण आदमी जो देश में रहता है उसको सोना नहीं चाहिए बल्कि उसको चाहिए भोजन, उसको चाहिए वस्त्र उस को रहने के लिए चाहिये स्थान। आज सारा सोना निकल आया होता तो लोगों के वस्त्रों के लिए, लोगों के घरों के लिए, लोगों के खाने में इस्तेमाल होता, देश के उद्योग-धन्धे बढ़ते देश में खुशहली होती। फिर भी देश की परिस्थिति को देखते हुए, वातावरण को देखते हुए वित्त मंत्री जी जो यह विधेयक लाए हैं वह थोड़ा लचर मालूम होता है। मैं उनसे कहूंगा कि इस विधेयक को सख्त बनाने की कोशिश करें। इन शब्दों के साथ उपाध्यक्ष महोदया, मैं इस बिल का समर्थन करता हूं।

SHRI K. C. PANT : Madam Deputy Chairman, I have listened to all the speeches very very carefully and I shall try in the time given to me not merely to meet some of the points of detail that have been raised, but to go beyond that and to try to satisfy this House as to why this Bill is necessary in the first place and why it deserves the

full support of this House. Madam Deputy Chairman, first of all, I should like to say that my honourable friend, Shri Dahyabhai Patel, has complained of the Bill being rushed through the Select Committee and through this House. I do not really understand this because other members of the Select Committee including some members of his own party who spoke to me about the work of the Select Committee, have complimented the Finance Minister on the spirit of accommodation which he showed in the Joint Select Committee. There were members from this honourable House who were members of the Joint Select Committee and I would ask them whether they, in their judgment, did not think that the Finance Minister showed a spirit of accommodation and give and take in the Joint Select Committee. And it has been amended profusely.

SHRI DAHYABHAI V. PATEL (Gujrat) : No, not profusely.

SHRI K. C. PANT : Well, it is a matter of judgment

SHRI DAHYABHAI V. PATEL : The representations were not considered. They were not heard. You have stopped the Select Committee twice when the quorum bell rang.

(Interruption)

SHRI AKBAR ALI KHAN : Some members agreed and complimented the Bill.

SHRI DAHYABHAI V. PATEL : I was also a member.

SHRI K. C. PANT : There are some people who are never satisfied. We have to go by the average reasonable person in this world and we cannot go by a person who is always dissatisfied. Now he talked of representations. Fifty odd representations were received by the Joint Select Committee and they were considered during the consideration of the Bill. They were duly circulated to all the members.

SHRI DAHYABHAI V. PATEL : They were not circulated.

SHRI K. C. PANT : They were circulated. They were considered. Even the 1963 Bill was at that time also considered by a Joint Committee. Lots of memoranda were submitted to that. Oral evidence was heard in 47 of the cases. Therefore, to say that evidence was shut out and so on and so

forth, it does not reflect the true state of affairs. This Bill has undergone more thorough scrutiny at all levels public opinion and Parliamentary opinion than any measure in recent times that I know of. And therefore, I am merely making the limited point. . . .

(Interruption)

श्री जगदम्बी प्रसाद यादव (बिहार) : कहा दिया है प्रचारित करने का मौका ?

(Interruption)

SHRI K. C. PANT: I have listened with great attention and respect and without interruption to all the honourable Members opposite who have spoken. This is not a party matter. This is a matter which affect the economy of this country and I would appeal to them only to listen to me and I hope to convert them to my point of view. Let them give me a chance. Then, if they are not satisfied, they have their amendments. They can speak on the amendments. Therefore, I would ask for a patient hearing. Now that is one point.

Then, before I pass on, I should like to say that Mr. Dandekar's contribution in the Joint Select Committee, to which a reference has been made by my honourable friend, Shri Dahyabhai Patel, was very significant and all the members of the Joint Select Committee that I spoke to, did appreciate his contribution to the work of the Joint Select Committee.

Then, I should like to refer briefly to some of the amendments made to the Bill by the Joint Select Committee, which were in the form of concessions to goldsmiths. A great deal of anxiety has been expressed on behalf of the goldsmiths. Well, I should like to place before the House the concessions made by the Joint Select Committee so that the House may understand how the Government has been approaching this question. Some of these are—

(1) the certificate issued to a goldsmith will now be valid for his lifetime and will not need to be renewed periodically;

(2) a displaced goldsmith, who had received rehabilitation loan, is now being made eligible for the grant of certificate provided he repays the loan within a period of two years from the date of grant of the certificate;

(3) a member of the family of a certified goldsmith who, at the commencement of this Act, had been assisting the

said goldsmith for not less than a year, has also been made eligible for the receipt of a certificate;

(4) an artisan working for a licensed dealer may apply for and receive a certificate;

(5) a certified goldsmith may engage one hired labourer;

(6) the quantity of primary gold that may be held by a certified goldsmith in connection with the manufacture of ornaments has been raised from 200 grammes to 300 grammes.

Therefore, I would like the honourable Members to appreciate that even the Joint Select Committee has made further concessions to a Bill in which the 14 carat restriction had already been withdrawn. After all, it is the 14 carat restriction which created the maximum difficulties for these goldsmiths and which raised this hue and cry. That had been withdrawn and in addition to that, at the time of consideration by the Joint Select Committee, further changes have been made, further concessions have been made. Now I found that many honourable Members attacked the Bill forgetting all that has happened since 1963. They seemed to feel that this was the old Gold (Control) Bill in its original form. They did not fully take into account all that has happened since then. Therefore, they criticised it on various accounts. Even my honourable friend, Shri S. D. Misra, said that export of gold jewellery would be hampered by the Gold (Control) Bill. Nowhere does the Gold (Control) Bill hamper the export of jewellery in any manner. I do not know how he made that statement. Then, my honourable friend, Shri Panda, who was saying something which I could not quite follow, talked about loan on hypothecation. Obtaining of loan on hypothecation of any ornament has not been prohibited at all in the Bill and he criticised it on that ground. Then, there was another honourable Member, Shri Mitra, who complained that he could not possibly buy jewellery for a marriage. That is simply not correct. He can go and buy jewellery from any dealer. He can go to a goldsmith, give him old ornaments and get new ornaments in their place. There is no restriction to the amount of ornaments he can hold.

I would like in fact to spell out how this Bill affects the common man. When I spell out that you will realise immediately that except for the smuggling of gold and the illegitimate trade of gold, the common man is hardly affected by this Bill. Let me spell out these various aspects. One is that the 14

[Shri K. C. Pant]

carat restriction, as I said, is no longer there. There is no restriction of any type on the possession, purchase, sale or transfer of ornaments of any other purity. I would like the honourable Member, Mr. Mitra, to appreciate this. He can go and buy jewellery of any purity to the extent he likes and he can keep it. Only when gold ornaments in your possession are beyond 4,000 grammes per family, a declaration has to be made. What is 4,000 grammes? Perhaps my hon. friends do not quite appreciate what 4 thousand grammes means. Madam, 4000 grams means approximately 343 tolas the value of which at the market rate is Rs. 65000. How many people have gold beyond that? I would like the House to appreciate this. Therefore to raise a scare about this merely because it has some emotional appeal is not a fair way to deal with the matter which goes to the root causes of disturbances in our economic life. Even there the restriction is only that you have to declare; there is no ceiling on the possession of jewellery. Shri Ganeshi Lal Chaudhary said "Take away gold and make it more strict." That can be a point of view. But so far as this Bill goes, anybody is free to possess any quantity of jewellery. There is only a ban on the possession of primary gold and a ban on fresh acquisition of articles. But keeping the general needs of the people in view the exception made is in favour of acquisition of five gold coins by way of gift. So even in the provision of articles there is this exception. Then, Madam, there are special provisions for public religious institutions. I need not go into them because many amendments have been tabled and we shall consider that when we come to those amendments and the clause-by-clause consideration. But I should like to say that so far as these institutions go, their special needs and their special problems have been taken into account.

Now, Madam, I come to the heart of the criticism. What is the criticism against this measure? I listened with very great attention and I found that hon. Members who like to consider themselves progressives were in a split frame of mind. But they know in their heart of hearts that this measure is in the right direction.

SOME HON. MEMBERS: No, no.

(Interruptions)

THE DEPUTY CHAIRMAN : He says "Those who consider themselves progressive,

(Interruption)

SHRI K. C. PANT: If the cap fits you, I cannot help it.

Madam, Mr. Balachandra Menon waxed eloquent; he is not there now, but he talked in poetic terms about gold and the bedecking of fair ladies with gold and what not. He was quite eloquent about it. But even he admitted that this is a progressive measure. Then one hon. Member got up and said "I am not for archaic laws, I am for the modernisation of this country and therefore the objectives I understand, I appreciate." But then after that he went off at a tangent. Now I can understand if socialism is going to come to this country, it is not going to come in a golden chariot. We find the majority of the people are so poor, gold does not affect their lives. Anyway, the declaration is provided for only when a man possesses gold worth more than Rs. 65000. (Interruptions) Please do not interrupt, do not shout and drown the voice of reason, that is my appeal to you. So, Madam even those people who attacked some specific provisions, they felt guilty in attacking the objectives. That is what I found and that is because essentially the objectives are sound.

Now I shall go into the specific points of criticism. Take the question of prices. It is said that the price of gold did not come down. I would remind the hon. Members that the price of gold did come down in 1963, immediately after the 14-carat restriction was imposed but thereafter when the 14-carat restriction was relaxed, the prices did rise, because that was a very important weapon in the whole armoury of the Gold (Control) Bill. That restriction was relaxed out of deference to public opinion at that stage because the hon. friends opposite did not fully co-operate in building up a kind of public opinion which ought to have been built up if the Bill was to be made a success. (Interruptions) Madam, these are all facts.

Now, Madam, coming to smuggling of gold, there are two ways of looking at this. If you say that smuggling has been very effective, the price of gold should come down. If the supply goes up, the price comes down. Therefore the very fact that the price of gold has not come down very much proves that smuggling has been checked. My hon. friends believe in the law of supply and demand. When the supply increases, the price comes down, the demand being fixed. (Interruptions) So evidently smuggling has not succeeded to that extent; otherwise the prices would have tumbled down. Therefore he is paying rather a tribute to the Government by referring to this

point. I would also like to point out that the rise in the price of gold after the introduction of gold control has been less than the rise in the general index. I would also point out that after devaluation, in terms of the Indian rupee, the value of gold in the foreign markets went up by 57 per cent and it went up again when the two-tier system of gold was introduced recently. But in spite of all this, the price of gold in India did not register a corresponding rise. What does this denote? When there was such a great upheaval in the gold markets in the world, the prices in India did not fluctuate much. What is the reason for this? The reason is that we have succeeded in more or less insulating ourselves and our anti-smuggling measures are reasonably effective. That is the only inference which can be drawn from the facts that I have placed before you. Now I do not say that smuggling has stopped altogether. I agree with those friends who say that we will have to take certain measures on other fronts also, not merely gold. Certainly we have to take measures in respect of other commodities also. But as you are all aware, gold is particularly amenable to this kind of smuggling; diamonds are amenable to this kind of smuggling; smuggling of bulky commodities is much more difficult than smuggling of gold. And hence the need to concentrate on gold so far as anti-smuggling measures are concerned.

Now, Madam, the other point was made that gold is a safeguard against inflationary tendencies. I would like to submit one thing with all respect to the views held by different sections of the House. I hope we are all agreed that if this gold could be utilised for productive purposes, it would do a lot of good to our economy. Rather than gold being hoarded it should come out and it should be utilised for productive purposes, as my friend over there just now said. Then and then alone can we build up our economy and be able to meet some of our foreign exchange difficulties. I would like to remind you that if this money were invested in small savings properly, then it is not always true that gold is a better saving than other kinds of savings. If you look at the statistics, you will find that from the year 1950 to 1962 if you had invested Rs. 100 in gold and also Rs. 100 in small savings you would have been better off as far as small savings are concerned. (*Interruptions*) I am coming to you with facts which you can check up for yourselves.

SHRI LOKANATH MISRA (Orissa): Am I not right when I tell you that Rs. 100 worth of Government securities are selling at Rs. 98?

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SHRI K. C. PANT : I am not talking of Government Securities at all. I am talking about the small savings. I am surprised that a knowledgeable friend like him does not understand this. During the period 1950-62 the increase in the price of gold was of the order of 22% whereas the increase by investment in small savings was considerably more. This is a fact which we have not only to bear in mind but I would request you to propagate. You do some home work. I would request them to propagate these ideas so that the tendency to hoard gold goes.

I would place before them in all honesty the heart of the whole matter. It is nobody's case that there is no demand for gold in this country. It is nobody's case that there is no lure for gold.

SHRI BRAHMANANDA PANDA: Slabs of gold are buried underground.

SHRI K. C. PANT : I thought Panda were very quiet people. . . .

SHRI BRAHMANANDA PANDA: They are the traditional Pandas.

SHRI K. C. PANT: Except on the banks of the Ganges. Accepting the demand for gold, accepting the lure for gold, the point to consider in all seriousness is where is the supply to come from? Is it to be met from the indigenous supplies? The House is aware of our capacity to produce gold. That is extremely limited and the entire production goes into industrial use—for use in the Defence sector and other sectors—which we cannot do without and which are vital. Is it anybody's case that this should be diverted to jewellery? I do not think so because those are vital sectors. Then are we to fritter away our foreign exchange in importing gold? Is it anybody's case? Is it your case that we should spend foreign exchange to import gold rather than import raw materials or components for our industries? You know of our foreign exchange difficulties. You are aware of them. Is it your case that we should import gold? I ask any single Member of the House to get up and say: 'Import gold rather than import those that are necessary for our industries'. I challenge you to say that. If you do not say that, what is the logic? You were not in this House, Mr. Chatterjee. I requested friends not to drown the voice of reason and I request you in particular not to attempt it. I am putting before you the proposition . . .

(*Interruptions.*)

श्री राजनारायण : यह आपको समझना पड़ेगा कि गोल्ड कंट्रोल ओभियस होगा ।

श्री के० सी० पन्त : आप तो समझते ह ।  
मैं तो औरों की बात कह रहा हूँ ।

That is my point. My friend Shri Jain made a good speech. He had gone into the facts but he only arrived at the wrong conclusions. He had studied the case, I must say but having studied it from a pre-conceived notion, he had to arrive at the wrong destination. I am putting before him the same facts which he has used. I refer him to his speech and want him to read it in the light of what I say. How is he going to meet the demand? Is it by indigenous production which he knows to be impossible? Is it his case? The other legitimate way is to import gold. Is he going to say that to satisfy this demand we should import gold?

SHRI RATTAN LAL JAIN (Punjab): We would prefer to spend our money in importing gold than allow smuggling.

SHRI K. C. PANT : I am afraid he is not fair in saying that. Smuggling takes place because we do not allow imports. Knowing the foreign exchange difficulties, I am asking him this question. Smuggling takes place in spite of our attempt to stop it but is it his case that foreign exchange should be utilised for importing gold? This is the heart of the matter. Then the need for the Gold Control Bill becomes obvious. Because this is an incontrovertible fact they are trying to interrupt me.

श्री रतन लाल जैन : आप कहते हैं कि सोने की डिमाण्ड है । अगर सोना नहीं आयेगा तो डिमाण्ड कैसे पूरी होगी ।

THE DEPUTY CHAIRMAN: I do not want Members to interrupt for the sake of interruptions. Have some patience to listen to his reply.

(Interruptions)

SHRI K. C. PANT: I feel rather flattered by these interruptions. That means I am going home slowly. Having come to that point and having accepted that the only way to meet the demand for gold is to import gold for which we do not have foreign exchange the logic of the situation comes to this that we create as many difficulties as we can in the way of smuggling of gold and in the free trade of illegal gold. There is no other logic. One can say, as Mr. Chaudhry says, that this measure should have been stricter and one can say that we should go back to 14 carat.

HON. MEMBERS: No.

SHRI K. C. PANT: But one cannot say: "Do not have Gold Control" because, otherwise, the logic is you divert your foreign exchange to importing gold if you accept that the demand is permanent. Where does this logic take you? Therefore I would appeal not to allow politics to enter this. After all smuggling costs this country loss of valuable foreign exchange. It introduces various wrong elements in our society.

श्री जगदम्बी प्रसाद यादव : मैं मंत्री जी से एक शब्द पूछना चाहता हूँ । उन्होंने अभी पोलिटिक्स शब्द कहा ...

श्री के० सी० पन्त : आप बाद में कहिये ।

श्री जगदम्बी प्रसाद यादव : मैं यह कहना चाहता हूँ ।

श्री के० सी० पन्त : आप मेरी जवान रोक नहीं सकते हैं ।

I am not yielding. Therefore we have to consider this from the angle of foreign exchange that is going to be wasted through smuggling. If we accept this broad framework then we have to accept that we have to take certain measures to restrict the movement of gold in the country so that we know where gold is coming from and where it is going and we supplement our other measures accordingly. We have other anti-smuggling measures for putting barriers in the way of free trade in illegal gold. That is the sum and substance of this Gold Control and I am sure with this objective, my friends will fall in line if they give it a cool thought.

Shri Sen Gupta referred to the statements made by the Deputy Prime Minister in the Lok Sabha about the number of goldsmiths and he said that I made a different statement here. He forgets that I made the statement before it was referred to the Joint Select Committee and the Committee made some changes and the Deputy Prime Minister made the statement after that and what he said reflected the changes made in the Committee. I am glad that he has scrutinised our speeches so carefully and has found apparent discrepancies. I am very unhappy to disappoint him. I am sorry I cannot oblige him by accepting the discrepancy.

Then some friends talked about the increase in number and asked whether we wanted an increase or decrease in number.

In the short run the Bill is going to result in increasing the number but in the long run I want to be very clear that it is our intention that the number should be reduced and both the purposes will be served by the Bill; because they will find that if the numbers are reduced too much and if we find that the art of goldsmithy is vanishing from the country we have deliberately put in a provision under which the Administration has power to give certificates in public interest. Therefore we have taken care of every possible contingency in this matter and I must honestly say that we have considered how much employment the legal transaction in gold can sustain in the country and we have to view this matter in that context. I have already indicated that the artisans and goldsmiths will have plenty of opportunity to practise their art, and even if smuggling is checked, it is estimated that Rs. 150 to 200 crores worth of jewellery, which is always circulating, coming for sale, coming for repair, etc. etc. will be there. Therefore, some goldsmiths will always be needed in this country even if imports were checked, and there is no question of trying to do away with goldsmiths as a class. This is not possible; this is not desirable, and that we do not want.

AN HON. MEMBER : What about the rest?

SHRI K. C. PANT : Now what is the present position? There are two and a quarter lakh goldsmiths holding certificates today, two and a quarter lakhs. 1,16,000 goldsmiths had obtained rehabilitations loans. Now, if they wish to revert to their old profession, under this Bill they can do so.

(Interruptions)

Then we have made certain provisions where members of goldsmiths' families, under certain conditions, can also become goldsmiths. Therefore, even if one member each of a goldsmith's family chooses to become a goldsmith later on, under the provisions of this Bill as provided for, another 2½ lakhs can become certified goldsmiths.

Now I would like to remind the House that in the 1961 census...

SHRI LOKANATH MISRA : There is no provision for issue of certificates beyond 1968. Is there any provision?

SHRI K. C. PANT : Yes, there is a provision which says that in public interests the Gold Controller can do so.

SHRI LOKANATH MISRA : Public interest?

SHRI K. C. PANT : Certainly in public interests. What else? Are you laughing at that? I am surprised. (Interruptions) In private interests you want this to be done?

(Interruptions)

In 1961, when the census figures were taken, the number of goldsmiths, silversmiths, etc. together came to 4.5 lakhs only. And now, with the provision that we have made in this Bill, the number is...

श्री जगदम्बी प्रसाद यादव : 11 तरह के लोग इस में काम करते हैं।

SHRI K. C. PANT : It is very difficult, Madam, to get on with interruptions side by side.

THE DEPUTY CHAIRMAN : Yes, Mr. Yadav, please do not interrupt him.

SHRI K. C. PANT : In the 1961 census I was saying that not only goldsmiths, goldsmiths and silversmiths together, and others, they comprised 4.5 lakhs only. And now, with the provisions in this Bill, if advantage is taken of those provisions, the number will go up to five lakhs. So where is the question of any harassment? Where is the question of eroding this profession? Wild charges are made without considering the implications of the clauses of the Bill.

SHRI LOKANATH MISRA : On a point of order, Madam.

THE DEPUTY CHAIRMAN : What is it? On every sentence?

SHRI LOKANATH MISRA : My point is this. The House is getting a very wrong impression about the issue of certificates.

THE DEPUTY CHAIRMAN : That is finished.

SHRI LOKANATH MISRA : No, Madam. Can I be a silent spectator and just hear the speech of the Minister because the Minister is speaking, when I feel tortured inside me? He is giving a wrong impression to the House...

HON. MEMBERS : No, no.

SHRI LOKANATH MISRA: ...and I would like to make this point which is worthy of being brought to your kind notice. The point is that after 1968 the certificate to anybody would be given from the point of view of the public interest. Thereafter nobody is going to be issued a certificate. Anybody who dies, leaves his family without a job, he cannot get it only because he does not belong to a goldsmith's family.

SHRI K. C. PANT : I will refer my hon. friend to clause 39(4) (e). Let him read it and then interrupt. *(Interruptions)* Madam, I presume that everybody has read the Bill out of respect and nothing else. If I stand up to interrupt every time I am tortured by the speeches of my hon. friend, I will be on my feet the whole time. So I would request Mr. Misra not to stand up merely on that small torture. It is a torture all of us have to undergo.

Now, Madam, there was this talk of providing for punishment by court. Now we have put in a somewhat unusual provision in this Bill. It is said that very wide powers have been conferred. But we have actually provided in clause 94 for punishment by court of the Gold Control officers for wrongful search and seizure. Have any of my hon. friends seen clause 94? It provides for punishment of the officers for wrongful search and seizure. Clause 96 provides for punishment of persons who may wilfully or maliciously give false information which leads to any arrest, search or seizure. Did any of my hon. friends refer to this? These are safeguards we have built into this Bill, and there are adequate provisions for appeal and revision, under which an aggrieved person can seek redress. But they did not make any reference to those provisions and they tried to create an impression as though they were very harsh and they are going to affect a very large number of people. If my hon. friend, Mr. Misra, has read that clause 39, I would like to tell him that it is not only in the public interest; he should also see this carefully. A member of a goldsmith's family can apply at any time so long as he fulfilled the condition of having helped the goldsmith for a year before the commencement of this Act. They are not debarred. So don't read it wrong and that is all I tell you. There are certain restrictions and I have told you that the restrictions are deliberate, because legitimate trade in gold can, in our view, support only so much employment in this field. Therefore, for us to deliberately create conditions where people take to wrongful methods is not correct.

*(Interruptions)*

Now my hon. friend, Shri Chandrasekharan, he also made the point that the Administrator's powers to make orders under clauses 4 and 5 of the Bill are also like the Central Government's power to make rules under clause 114 and be subject to Parliament's scrutiny. Now, the orders that the Administrator can make under clause 4 or clause 5 of the Bill are not in the nature of delegated legislation; they are on a different footing from the rule-making power of the Government under clause 114.

Madam, I think I have done. I have here a list of other countries in the world where neither free ownership nor free trading in gold is allowed. I can read out the names. It is not an exhaustive list. The other countries are, for example, U.S.A., U.K., U.S.S.R., South Africa, Nigeria, Malaya, Vietnam, Nicaragua, Libya, Guinea, Ethiopia—there are more—El Salvador, Cyprus, Czechoslovakia, Cuba, Ceylon, Brazil, Bulgaria, Albania, Australia, etc. *(Interruptions)* Please do not create the impression that the Government of this country is trying to do something that is abnormal or unusual. Most civilised countries, as you will have seen from the list, have already taken recourse to such measures in the interests of their own economies.

And after what I have said, I hope my hon. friends will have understood the purpose of the Government in bringing forward this Bill, and I hope I have managed to at least convince the reasonable among them. I would only appeal to them, if I have succeeded in presenting the case free of politics and based purely on economic considerations, I would appeal to them for co-operation in propagating these ideas so that the objective which we all share can be achieved.

Thank you, Madam.

THE DEPUTY CHAIRMAN : The question is :

“That the Bill to provide, in the economic and financial interests of the community, for the control of the production, manufacture, supply, distribution, use and possession of, and business in, gold, ornaments and articles of gold and for matters connected therewith or incidental thereto, as passed by the Lok Sabha, be taken into consideration.”

*The House divided.*



THE DEPUTY CHAIRMAN: Ayss—60;  
Noes—28.

AYES—60

Abraham, Shri P.  
Annapurana Devi Thimmareddy, Shrimati.  
Arora, Shri Arjun.  
Bhargava, Shri M. P.  
Bindumati Devi, Shrimati.  
Chandra Shekhar, Shri  
Chaudhary, Shri Ganeshi Lal.  
Chavda, Shri K. S.  
Chetia, Shri P.  
Desai, Shri Suresh J.  
Deshmukh, Shri T. G.  
Doogar, Shri R. S.  
Gilbert, Shri A. C.  
Hussain, Shri Syed.  
Iyer, Shri N. Ramakrishna.  
Jain, Shri A. P.  
Jairamdas Daulatram, Shri.  
Kemparaj, Shri B. T.  
Khan, Shri Akbar Ali.  
Kurre, Shri Dayaldas.  
Lalitha (Rajagopalan), Shrimati.  
Mahanti, Shri B. K.  
Mallikarjunudu, Shri K. P.  
Mangladevi Talwar, Dr. (Mrs.).  
Maniben Vallabhbhai Patel, Kumari.  
Mary Naidu, Miss M. L.  
Mehta, Shri Om.  
Misra, Shri S. D.  
Mitra, Shri P. C.  
Mohammad, Chaudhary A.  
Muhammad Ishaque, Shri.  
Neki Ram, Shri.  
Panjhazari, Sardar Raghubir Singh.  
Parthasarathy, Shri R. T.  
Patel, Shri T. K.  
Patra, Shri N.  
Pattanayak, Shri B. C.  
Purkayastha, Shri M.  
Pushpaben Janardanrai Mehta, Shrimati.  
Ramachandran, Shri G.  
Ramaswamy, Shri K. S.  
Reddy, Shri K. V. Raghunatha.  
Sahai, Shri Ram.  
Savnekar, Shri B. S.

Shanta Vasisht, Kumari.  
Sherkhan, Shri.  
Shukla, Shri Chakrapani.  
Shukla, Shri M. P.  
Siddalingaya, Shri T.  
Sinha, Shri B. K. P.  
Sinha, Shri Rajendra Pratad  
Tiwary, Pt. Bhawaniprasad.  
Untoo, Shri Gulam Nabi.  
Upadhyaya, Shri S. D.  
Usha Barthakur, Shrimati.  
Vaishampayan, Shri S. K.  
Varma, Shri C. L.  
Vimal Punjab Deshmukh, Shrimati.  
Yajee Shri Sheel Bhadra  
Yashoda Reddy, Shrimati.

NOES—28

Appan, Shri G. A.  
Chandrasekharan, Shri K.  
Chatterjee, Shri A. P.  
Das, Shri Banka Behary.  
Gaikwad, Shri B. K.  
Gowda, Shri U. K. Lakshmana.  
Mahavir, Dr. Bhai.  
Menon, Shri Balachandra.  
Menon, Shri C. Achutha.  
Misra, Shri Lokanath.  
Mohta, Shri M. K.  
Panda, Shri Brahmananda.  
Panda, Shri K. C.  
Patel, Shri Dahyabhai V.  
Patel, Shri Sundar Mani.  
Pitamber Das, Shri.  
Prem Manohar, Shri.  
Rajnarain, Shri.  
Rattan Lal, Shri.  
Reddy, Shri Mulka Govinda.  
Sarala Bhadauria, Shrimati.  
Sen Gupta, Shri D. L.  
Singh, Shri Niranjan.  
Sinha Shri Rewati Kant.  
Somasundaram, Shri G. P.  
Varma, Shri Man Singh.  
Varma, Shri Niranjan.  
Yadav, Shri J. P.

*The motion was adopted.*

SHRI DAHYABHAI V. PATEL : Madam, before you commence clause by clause consideration may I submit that the Government does not seem to be in any mood to accept any amendment? So the discussion on the clauses and moving of the amendments will be futile.

The other point I would like to submit is that the other House is not sitting and if any amendment is accepted the Bill would have to go to the other House which means it will be in the next session, which cannot be done. Both these facts signify that any discussion on the amendments at this stage is futile. The Government is in no mood to accept any amendment and I think there is no purpose in our taking the time of the House or sitting here. So I think we had better walk out in protest against the attitude of the Government.

SHRI PITAMBER DAS : Madam. I feel that the Government has taken the House for granted the way this Bill is being rushed through. Therefore in protest we also walk out (*Interruptions*) I have my arguments for it. The Government seems to have taken this House for granted. Firstly, because if any amendment is passed here, the Bill will have to go to the other House and it is not sitting now. Secondly, the ordinance is going to expire in two days and before that this Bill has to be finally passed. We have thus, been put in a very tight corner. We cannot make any amendment to the Bill, and we do not wish to press it as it is. Therefore it is useless to sit here. We also walk out.

SHRI MULKA GOVINDA REDDY : Madam Deputy Chairman, the Government is trying to rush this Bill through. They are really doing a disservice to the country and to this Parliament. We feel no useful purpose will be served by our attending and participating in further consideration of this Gold (Control) Bill. As a mark of protest we all stage a walk out. (*Interruptions*)

SHRI A. P. CHATTERJEE : Madam, I have to say something on this.

THE DEPUTY CHAIRMAN : Not everyone.

SHRI A. P. CHATTERJEE : Madam, we also agree with Mr. Dahyabhai Patel that there will be no use at all in standing this torture of seeing this Bill passed in a

hurry. Madam, Deputy Chairman, the whole thing was let out by you when you said in the morning that the Bill must be passed.

THE DEPUTY CHAIRMAN : I object to that remark. There should be no reflection on the Chair.

(*Interruptions*)

SHRI A. P. CHATTERJEE : Apart from that it is very clear from the Bill that this is not Gold (Control) Bill, but this is Gold Smuggling Bill and Goldsmiths Decimation Bill. In fact, the entire purpose of the Bill is to see that the goldsmiths or those persons who were goldsmiths are driven out of their trade and wiped out. The passage of the Bill is already littered with the corpses of goldsmiths and I am quite sure that this Bill if passed will lead to countless death and suicides by other goldsmiths also. We cannot be a party to this suicidal Bill; we cannot be a party to the murder of goldsmiths and artisans like this, and therefore...

(*Interruptions*)

THE DEPUTY CHAIRMAN : That will do.

SHRI A. P. CHATTERJEE : ...we also walk out in protest against this Bill, being passed in this manner.

SHRI BALACHANDRA MENON (Kerala) : Madam, even if this Bill is passed the goldsmiths' condition will remain as bad as before and as difficult as before and the Government does not seem to be prepared to improve their condition. The certificate which is required will not be easily got and their lives will be miserable. Therefore we also protest against this attitude of Government towards the goldsmiths.

श्री राजनारायण : माननीय, अनकंट्रोल्ड कंट्रोल हमेशा मुसीबत का होता है। यह जो विधेयक है यह अनियंत्रित नियंत्रण है। एक अनियंत्रित नियंत्रण हो, उसकी कई मुसीबतें हम देख चुके हैं और हम ऐसा मान रहे हैं कि यह सरकार बजिद है अपने देश के बहुत से स्वर्णकारों को नुकसान पहुंचाने के लिये और उनके परिवार को उनके जीवन के साधनों से वंचित करने के लिये।

तो जिस विधेयक का यह परिणाम हो कि स्वर्णकार अपने जीवन निर्वाह के साधन से वंचित हो जायं उसके पास होने में सहायक बनना या उसके पास होते समय यहां बैठे रहना, यह मैं अनुचित समझता हूं, बुरा समझता हूं, अमानवीय समझता हूं। इस लिये हम भी डा. ह्याभाई जी के साथ सदन का त्याग करते हैं।

SHRI LOKANATH MISRA : Madam, I submit in one sentence. The Government may take the Congress Members for granted for anything, but they cannot take the House, the Rajya Sabha, for granted for anything.

SHRI M. P. BHARGAVA (Uttar Pradesh) : The Rajya Sabha has not been taken for granted. The Opposition, finding their strength too low and having got defeated in the First Reading, are walking out.

*(Interruptions)*

THE DEPUTY CHAIRMAN : Order, order. We shall take up the clause by clause consideration of the Bill.

SHRI G. A. APPAN (Madras) : The DMK also walks out in protest against this suicidal measure. The hon. Minister, who is responsible for the enactment of this, should be put under impeachment.

*(At this stage, some hon. Members left the House.)*

THE DEPUTY CHAIRMAN : Order, order. We shall take up the clause by clause consideration of the Bill.

*Clauses 2 to 117 were Added to the Bill*

*Clause 1, The Enacting Formula and the Title were Added to the Bill.*

SHRI K. C. PANT : I beg to move :

“That the Bill be passed”.

*The Question was put and the Motion was Adopted*

# MOTION FOR MODIFICATION OF THE INCOME-TAX (SECOND AMENDMENT) RULES, 1968

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. C. PANT) : Madam, I beg to move the following motion :—

“That this House concurs in the Resolution adopted by the Lok Sabha at its sitting held on the 20th August, 1968, and agrees that the following modification be made in the Income-tax (Second Amendment) Rules, 1968, published in the Gazette of India by Notification S.O. No. 1112, dated the 18th March, 1968, namely :—

‘in rule 2, in the proposed rule 11A, for ‘Rs. 20,000’ substitute Rs. 25,000’.”

This motion relates to certain amendments made to the Income-tax Rules, 1962 through the Income-tax (Second Amendment) Rules, 1968 which were notified in the Gazette of India dated 18th March, 1968 and laid on the Table of this House on 30th April, 1968. One of the provisions made in these Rules provides, in the case of an author, playwright, artist, musician or actor, a higher limit than in the generality of cases over the total amount of approved savings in life insurance, cumulative time deposits in post offices, etc., qualifying for tax relief. These higher limits are 33½ per cent of the professional income of the author, playwright, etc. plus 30 per cent of his other income, subject to a monetary ceiling of Rs. 20,000, as against the general limit of 30 per cent of the gross total income and the monetary limit of Rs. 15,000, applicable in other cases.

Under section 296 of the Income-tax Act, Parliament has power to make modifications in the Rules as may be agreed upon by both Houses. Any modification so made will take effect prospectively. A motion was moved by an hon. Member in Lok Sabha for making certain modifications, *Inter alia*, in the rule providing a higher limit on savings qualifying for tax relief in the case of authors, playwrights, etc. The modifications proposed by him in the relevant rule were, firstly, that the percentage limit of 33½ should be raised to 50 and, secondly, that the