

conveyed its reaction to the Government, and is what is described as adequate autonomy by the Home Ministry consistent with the reactions of the Pataskar Commission?

SHRI GULZARILAL NANDA: I could not follow the question.

MR. CHAIRMAN: Has the Pataskar Commission communicated its reactions to the Government in this regard?

SHRI GULZARILAL NANDA: No, Sir; the Pataskar Commission is still at work, and these people also can present, and I am sure, are presenting their case before the Pataskar Commission.

SHRI M. M. DHARIA (Maharashtra): Is the Government aware of the activities of the President of the Mizo secessionist party, who visited Pakistan to seek their help to form a separate State outside the Indian Union, and also who has been agitating in that regard, who was arrested by the Government of Assam and then afterwards who was released? Why is such a liberal approach made to the President of this Mizo secessionist party?

SHRI GULZARILAL NANDA: It is the Mizo National Front, not the Mizo Union, and there I know that they are in touch with other embassies and consulates for this purpose.

PAPERS LAID ON THE TABLE

REPORT (1965) OF THE SUGAR ENQUIRY COMMISSION

THE DEPUTY MINISTER IN THE MINISTRY OF FOOD AND AGRICULTURE (SHRI D. R. CHAVAN): Sir, I beg to lay on the Table a copy of the Report (October, 1965) of the Sugar Enquiry Commission. [Placed in Library. see No. LT-5260/65].

REPORT (1965) OF THE RAILWAY CONVENTION COMMITTEE

SHRI C. M. POONACHA: Sir, I beg to lay on the Table a copy of the Report of the Railway Convention Committee, 1965.

THE TAXATION LAWS (AMENDMENT AND MISCELLANEOUS PROVISIONS) BILL, 1965.—continued.

SHRI DAHYABHAI V. PATEL (Gujarat): Mr. Chairman, Sir, it has been a feature of this Government and of the Finance Minister to alter policies rather too frequently which is not conducive to confidence and stability. Last year the Finance Minister affirmed that the finances of the Government would be all right as long as he was the Finance Minister. One was wondering whether he was referring strictly to the finances and the financial position of the Government of India, or the T. T. Krishnamachari & Sons empire.

The Government of India are facing a serious financial crisis for some years.

DIWAN CHAMAN LALL (Punjab): Where is the Government of India?

SHRI DAHYABHAI V. PATEL: Am I expected to answer that question?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR SAHU): I am here representing the Finance Ministry.

DIWAN CHAMAN LALL: One swallow does not make a summer.

MR. CHAIRMAN: We are in winter.

SHRI DAHYABHAI V. PATEL: The Government, as I said, Sir, has been facing a serious financial crisis for some years. It has been the prac-

[Shri Dahyabhai V. Patel.]

tice of the Finance Minister every year soon after the Budget is presented, to make sojourns in the various capitals of the world, to collect whatever could be available in the shape of loans, aids etc. Perhaps some of these have been coming too easily and therefore we have not been wise enough in spending the money that so came. Perhaps that is why the Government has been turning a deaf ear to the criticisms of opposition parties and also of some of their own ranks, asking them to be wise, to be judicious, to prevent unnecessary expenditure, to prevent waste and to cut down the spending on unproductive projects. But unfortunately not much heed has been paid to them. Recently an important official of the Finance Ministry, Shri Bhoothalingam, was sent to the United States of America to see what he could do to help us to meet the demands of the International Monetary Fund and the obligations that we are expected to honour. If I mistake not, we have to pay 75 million dollars. Out of the total of Rs. 143 crores to be repaid, including Rs. 83 crores during the current year, only Rs. 60 crores have been repaid. If my information is not correct, I would like to be corrected. It is a serious financial situation that we have thus involved ourselves in.

The seriousness of the situation has been accentuated because of the recent conflict with Pakistan. The posture of belligerency assumed by Pakistan is threatening to involve both countries in more violent conflagrations. That is all the more reason why Government should take serious note of the situation. The threat from Pakistan, however, would not have been of so much consequence if there had not been the involvement of China behind Pakistan. Therefore the situation for us is grave

The food situation has been deteriorating. The rate of increase in industrial production is going down. Prices are shooting up and therefore the balance of payment situation is

going to worsen. External debt is going to be a very very heavy drain on our finances for some years more. And then we have difficulties about our requirements of military equipments. Some countries have started placing embargos. Some have difficulties in supplying what was contracted for. All these make our position more and more difficult. It is in this context that we have to view the attempt of the Government to mobilise the internal and external resources through the National Defence Gold Bonds, 1980 and the National Defence Loans of 1968 and 1972. We are told that the Bonds and Loans must be made a success if our country is to face the threat posed by Pakistan and China and at the same time meet the internal economic situation. There is a feeling in certain circles that the Government may not honour its commitment to return gold for gold after 15 years. There is this feeling because this is the third time that the Government has come out with legislation for mopping up gold reserves. Out of the first two legislations, gold of the value of Rs. 7 crores came out, at the international price.

THE DEPUTY MINISTER IN THE
MINISTRY OF FINANCE (SHRI
RAMESHWAR SAHU): Rs. 8.2 crores.

SHRI DAHYABHAI V. PATEL: I am quite willing to stand corrected. Let it be Rs. 8.2 crores. The present scheme is much more favourable than the previous ones. There is a feeling that the Government might come out at a later date, with an even more liberal scheme if the gold is not surrendered now in requisite quantities. I trust the Government will make it clear and try to convince the people who surrender gold under this scheme that this is not the intention. But mere assurances by the Government which has had to go back on its assurances three times, are not going to carry conviction. It is this unwise gold policy that has landed the Government into this mess. We know how they did it against the ad-

vice of many people, and the manner in which the measure was tried to be rushed in the Select Committee, the number of representations received, the untold hardship which was caused to ordinary poor goldsmiths, a number of whom sacrificed even their lives. Yet the Government took an unbending attitude. But now circumstances have forced the Government to revise this policy. It is therefore encouraging to see that there is now some rethinking on the gold policy in place of the obstinate attitude which was adopted when the Gold Control Bill was before the Parliament and before the Select Committee. If only an effort had been made to understand the situation properly at that time, and if the Government had not gone merely by a doctrinaire approach, all the sufferings and hardships and all these difficulties could have been avoided. This is once again a type of experimental legislation carried on, and this is what creates mis-trust in the minds of the people to whom hoarding of gold has become a tradition.

To make this scheme a success, the Government should realise what the reasons for the failures are. The general impression now created in the minds of the people is that since within the space of two and a half years three different types of disclosure schemes have been brought in by the Government, each more beneficial than the earlier one, the pious hope always prevails in the minds of the people that there will still be a further scheme forthcoming, more beneficial than the present one. People who surrendered their gold under the first scheme feel that they have been made fools by the Government inasmuch as the people who surrendered their gold under the second scheme are better off. Now, those who surrendered their gold under the first and second schemes feel that they should not have invested their wealth in the Gold Bonds if Government ultimately had to come forward with a scheme of returning gold for gold after fifteen years. This

is one of the points urged before the Government at the time of the promulgation of the Gold Control Order. Most of the gold owned by people has been converted into ornaments and jewellery which means that there has been an overhead spending of forty per cent. on the price of gold paid by them. If, therefore, these ornaments are surrendered, the more interest of 1.7 per cent. earned by these people during fifteen years would barely be sufficient to set off the price increase due to making charges. Thus they have lost. Besides this, I feel that the time this scheme is brought forward is not opportune because this is the marriage season and it is customary in this country to buy gold for making ornaments for presentation at the time of marriage. Due to patrolling by the Indian Navy on the Kathiawad coast bringing of gold from ports in Arabia and round about is practically impossible and hence there is a rise in price. It is common knowledge that at the time of the promulgation of the second gold scheme most of the gold tendered to the Reserve Bank were of smuggled origin bearing foreign markings which was openly purchased by the gold dealers and tendered at the Reserve Bank. Such purchases are now difficult.

[THE DEPUTY CHAIRMAN in the Chair]

The public also is still in doubt whether Government would honour its commitment to return gold for gold after fifteen years. How would such a return be possible under the present Gold Control Order is a question which will not find an easy solution. It is idle to conceive that gold is held merely by blackmarketeers in big towns. Gold is hoarded in every nook and corner of the country where hoarding is ancestral and traditional. It is difficult to persuade people in the remotest areas to part with their gold in exchange for paper bonds. Therefore, to meet this situation Government have now come forward with the National De-

[Shri Dahyabhai V Patel]

fence Loan schemes There are certain defects in those schemes, particularly in relation to remittances from abroad which I should like to point out. Perhaps a little clarification would help Government to attract more money when it is needed so badly. The scheme is open, as the public notice says, for Indian nationals. Government is fully aware that many Indian nationals abroad, or people of Indian origin, as they are called, have adopted foreign nationality. They have had to adopt the foreign nationality because of circumstances. They have, however, their heart and their relations in this country. Because of the foolish policy of the Government of India, people of Indian origin are being squeezed out of many of these places, their business taken away. While we go on affirming that our foreign policy is a great success, while we affirm that we have friends everywhere, in actual practice, we are being squeezed out everywhere and those who want to come back with what they have earned in their lifetime or perhaps over a generation of hard work find it difficult. Those countries have adopted rules to control foreign exchange as we have done. They are perhaps entitled to adopt those rules but if only our Government had adopted a little more sympathetic attitude and if our Government had tried to help them, they would not have been driven out in the manner in which they were from Burma, for instance. I am mentioning only one place, there are many others.

SHRI RAMESHWAR SAHU May I point out that this is outside the scope of the Bill?

SHRI DAHYABHAI V PATEL What is outside this Bill?

SHRI RAMESHWAR SAHU The National Defence Remittance Scheme about which the hon Member is speaking is not covered by this Bill.

THE DEPUTY CHAIRMAN. Yes, continue Mr. Patel.

SHRI DAHYABHAI V. PATEL: It is one of your schemes to attract money and I was briefly pointing out a few of the difficulties which make it a deterrent for foreigners to bring money. If you are not interested, if you do not want to listen, if you think I am not in order, if the Chair thinks that this is not in order I will not refer to it but I think I am perfectly in order in pointing out to the Government that if more money is wanted, these little irritants should not be there. For instance, the person who invests money here is supposed to be able to repatriate his money and the interest earned on it. In comparison to people who are here, let us see what happens to them. This applies only to Indian nationals—the concession. What happens to people who are of Indian origin and who have taken the nationality of a foreign country and who want to come here with their money? They are precluded because they have taken the nationality of some other country. The tax concessions and the guarantee of repatriation of capital and interest does not apply to these people.

SHRI RAMESHWAR SAHU: They can send by way of gift to the residents here.

SHRI DAHYABHAI V. PATEL: Then it immediately attracts the Gift Tax. Does it not? You are looking at it just from the point of view of the quantum of money that would come by way of Gift Tax. I suggest that that is not the way which brings you money. You should announce straightway—and that is what I was coming to—that remittances by way of gifts that come to India will be free of this heavy rate of Gift Tax which prevails in no other country. The high rate of Gift Tax that we have in India prevails in no other country. There are people who have got business abroad and they would

be willing to liquidate their business and come to India bringing their money with them for investment here. What is the Government of India going to attract them? Are any of our foreign Missions taking any interest in this matter? Are any of them asking Indian about their willingness to come back to India? If some of them express their desire to come back, are any of our Missions advising them or telling them that if they come here they would get this or that concession, that the Government of India would welcome them?

SHRI RAMESHWAR SAHU: They can send this money here under this scheme.

SHRI DAHYABHAI V. PATEL: That they can always send.

THE DEPUTY CHAIRMAN: Let the Member continue and then the Minister can reply to the points.

SHRI DAHYABHAI V. PATEL: The scheme, as you have brought forward, has some deterrents. I am suggesting that you remove some of the deterrents. I am making a constructive suggestion , . .

SHRI RAMESHWAR SAHU: Agreed, I will welcome it.

SHRI DAHYABHAI V. PATEL: . . . which I would like the Finance Minister to consider. The Government of India has further allowed a licence incentive of 60 per cent. The category of items is restrictive in character, inasmuch as more than half the items relate to actual users. It will be better if the Government restricted restrictive licences to fifty per cent. and granted ten per cent. free licences, that is, licences to import commodities that the party may choose. For instance, many people, who stay abroad, would be anxious to import cars. The procedure that the Government of India has for importing cars is so cumbersome, so prohibitive, that people are reluct-

ant to do so. When we are short of production of cars in our country and if the person pays the normal rate of duty, why do you have other restrictive clauses, penalties to be paid by the importer when he comes winding up his business there? He is used to a certain style of living there. He brings his car here and because he wants to come and live here and start a *bona fide* business, why do you not encourage him?

Then, of course, there is the question of their stock-in-trade. Today we are very short of imported goods. If these friends, who were originally from India, want to come back and want to import their stock here, perhaps it would help the Government, it would help the country if they were allowed to import their stock-in-trade more liberally.

Therefore, I feel that the Bill, as brought forward before us, has many defects and if the Government want to make a success of it, if the Government want to be assured that they would not have to bring a fourth Bill to correct past mistakes, as they have been doing, they should take lessons from the past, take constructive advice and remove so many defects that it has. This Bill bristles with so many difficulties for people who genuinely want to help the Government, who want to help the country in its time of need. Madam, at a time when we are facing such a serious crisis, it is all the more necessary that the Government of India as a whole and the Prime Minister should pay attention to these matters, much more so than an individual, an individual about whom so much is said and written, because a sense of reassurance and a sense of confidence only comes when people are sure that everything that is done is above board, that no advantage is given to anyone or any firm due to prior knowledge of something that is done now or that was done in the past. Therefore, I make these suggestions and these criticisms not in a carping manner, but just as we supported the

[Shri Dahyabhai V. Patel.]

Government in the defence effort, when the occasion came to us, it is in the same spirit that I make some of these suggestions and I hope the Finance Minister and more than the Finance Minister the Prime Minister and his Government will give them due attention.

SHRI RAJENDRA PRATAP SINHA (Bihar): Madam Deputy Chairman, I have listened, with all attention, to the speech of my hon. friend, Mr. Dahyabhai Patel, and I would like to refer to one or two points which he has made during the course of his speech. He has said that the people have a feeling that gold will not be returned in gold after fifteen years. Madam, I regard this as the most pernicious suggestion put forward by my hon. friend. We have all got faith in the Government and the Government's capacity to repay the gold bond in gold. There could be no greater proof of the fact than the contribution to the gold bond scheme itself. I understand that by the 27th of November the total contribution has come to about 2,289 kilograms and two of the States, from where my hon. friend comes, top the list so far as gold contribution under these bonds is concerned. From Maharashtra we have got 1436 kilograms and from Gujarat 201 kilograms. Though I do not know whose views he has represented in this House, the people have good faith that they will get back their gold in gold.

SHRI LOKANATH MISRA (Orissa): The point is that the people may have faith in the present Government, but they anticipate some other Government, and even if it is the Congress Party, if it is the Left Party which my hon. friend represents, they might not give it back.

SHRI RAJENDRA PRATAP SINHA: I would like the hon. Member to remember that India has got the best reputation of meeting its commitments not only in this country but all over the world. India has never

failed in any of its commitments in the past, nor is it going to fail in future. So, people will have faith in the Government of the day at that time. We have got today a debt of about Rs. 2,400 crores and the people of the country and the Governments in foreign countries have full faith that all this money that has been advanced to India will be returned and so have the people of this country that faith. My hon. friend was giving some figures. This year we have returned in foreign currency, by way of servicing our debts, to the tune of about Rs. 180 crores and next year we propose to return Rs. 164 crores. We shall meet all our liabilities in times to come. I do not know how much this gold bond is likely to be, but at the outside it would be about Rs. 200 crores. We will be certainly in a better position, after fifteen years, to repay this in gold, because gold we can have through foreign currency. Today we are having, on an average, about Rs. 600 crores of free currency every year and this position of our free currency earnings will very much improve after fifteen years. Therefore, on economic grounds—I am not talking of just generalities—I am sure that we shall be in a position to repay the gold bonds in gold. Our people have good faith in that. Any suggestion of shaking the confidence of our people—which has come from the hon. Member—would be the most pernicious suggestion. The other point which has been made by my hon. friend is this that there may be a more beneficial scheme forthcoming in the future. I do not know. By implication it means that he would like the people not to invest in gold bonds. I would like my hon. friend to consider the circumstances under which this scheme has been brought forward. He has also stated those circumstances. We are facing the most difficult situation which this country has never faced for the last 300 years. The integrity of our country, our freedom has been threatened by two biggest armies of the world, those of Pakistan and China, on two different

fronts simultaneously. We have taken up the challenge and we have thrown back the aggressors. We have to fight a shooting war, and my hon. friend knows that a shooting war involves loss of not only men but material also. We have rolled back the aggressors at a heavy cost of men and material. What is the need of the hour today? To re-equip the army, to replenish all the losses that we have suffered. This replenishment can take place from abroad and from the indigenous sources as well. We have to consider that this measure has been brought before us under very extraordinary circumstances, and therefore I would say that this is an extraordinary measure, and therefore the Government has appealed to the patriotic sense of the people to come forward with their savings in gold so that we could replenish our losses on the battlefield. We need aircraft, we need arms and ammunition and all kinds of military hardware. We cannot have them unless we pay for them in foreign exchange. What has happened? Hon. Members know that all the aid programmes, not to speak of aid programmes, even the commercial contracts for the supply of arms and ammunition had been stopped. The building up of Ordnance factories is going on. Hon. Ministers have made statements that we are trying our best to re-equip the army to make up its losses and to go ahead with the building up of the Ordnance factories from alternative sources. All that requires foreign currency and foreign exchange, because as the hon. Members know, all aid and commercial contracts for the supply of arms and ammunition had been stopped. What is Pakistan doing? We all know that Pakistan has got replenishment from NATO countries. We have also learnt that some of those countries have placed their free foreign exchange at the disposal of Pakistan so that they could replenish the losses that have occurred in the Pakistan army. We have said that we shall bear no pressure from any quarter and we shall stand on our own legs

and carry on the war on our own. How can we do that unless we come forward with the gold that we have to the aid of our Armed Forces? After all individuals keep the gold to make use of it during the rainy day. Now individual security is based upon national security. "If India lives, we all of us live", Jawaharlal Nehru used to say. "If India goes down, all of us go down" Individual security depends upon the national security of the country. Therefore, the Government has made an appeal to the people of India, who have got gold, to surrender that to the Government—and they will get back that gold after 15 years—in order that the army at the front may be replenished, in order that our security and integrity may be safeguarded, in order that the development programmes may go ahead because the industries will have to go on in order to feed the army. No doubt we are changing our industrial pattern of production by substituting import items. But all this will take time. No doubt we are trying to enlarge our export earnings. But all this will take time and we need foreign exchange resources in the short period, is the next one or two months, and if we can tide over this difficulty in one or two months, we shall be able to go ahead both with our economic development and with the planning of our armament factories. So the important thing is that we must have all the resources that we can command and foreign exchange in the short period of the next two or three months, and that is why it has been provided that this scheme of gold bonds is valid only till the end of January. Therefore, the whole significance of this scheme will be lost thereafter. We must have the gold urgently, and that is why I am sure that the country would respond and would come to the aid of our Armed Forces.

My hon. friend has made many remarks which are completely outside the scope of this Bill. He has talked about the import of foreign cars,

[Shri Rajendra Pratap Sinha.]

about the question of persons of Indian origin abroad trying to come back, and so on. These things are completely outside the scope of this Bill. The suggestions which he has made no doubt will be noted by the Government and given effect to wherever possible, but I would not like to enter into them because they do not come under the purview of this Bill. Criticism has been levelled against this measure that this will encourage immorality, that tax-dodgers, those who have got undisclosed money, will get an advantage, that those who have got undeclared gold will have an advantage. As I have stated earlier, this is an extraordinary measure brought forward in an extraordinary situation, and we have got to look at that with that background. Now it is a well-known fact and the hon. Member was also saying that it is estimated that the bulk of the gold, that 80 per cent of the gold is held in small quantities by a large number of people in the shape of ornaments. If an appeal is made to these people, to their sense of patriotism, to come forward and to donate their gold ornaments for gold bonds, it involves no immorality. The declaration of gold ornaments is not compulsory. These small people keep the gold ornaments in small lots from their savings. Therefore, so far as 80 per cent of the gold is concerned, there is no question of giving any encouragement to tax evasion or to gold-holding. It is only a question of 20 per cent of the gold which is estimated as being held in the form of bullion. I maintain, Madam, that no extraordinary concessions are being given to undeclared incomes or to undeclared gold held by such people. We have already accepted in principle the disclosure schemes whereby we have agreed, this House has agreed, to give concessions to those people who come forward and disclose their wealth and income and black money voluntarily, and they are entitled under the existing laws—and we have passed several laws at that time referred to by the hon.

Member—to get certain concessions. Now, so far as the principle of giving concessions for voluntary disclosure is concerned, it has been accepted from time to time by Parliament. Nothing extra-ordinary is being done now in that regard and we are not giving anything much more than what has already been provided in the past in these concessions that have been given to those who come forward for investment in the Gold Bonds or the other Defence Loans. So, I do not consider that anything haphazard is happening in this regard. And then we must realise it in the background of the pressure that is being maintained in order to unearth the undisclosed incomes or wealth or gold. We have seen the other day in papers that searches and seizures are going on all over the country and that they have borne fruit. We hope to discover a lot of undisclosed money and gold and foreign currency. We come across cases that are being prosecuted by the departments concerned. Therefore, what I submit is that we maintain the pressure by carrying on these raids, seizures and searches to make people come forward with their concealed income.

Now, there is a two-pronged attack. One is that pressure is maintained to prosecute such people, to search them and unearth their hidden wealth and the other is that we give incentives for them to come forward and voluntarily disclose their wealth. The hon. Minister has himself said that there is patrolling going on on the sea by the Anti-smuggling Squad and that therefore it has become very difficult or impossible for the gold to be smuggled. Simultaneously, both the efforts are being made—force is being used and we are also appealing to the good sense of the people to return to a civilised way of life.

I would like to give one or two suggestions for the consideration of the Government without in any way affecting the broad principles and

patterns. Now, it has been suggested that the rate of return on these Gold Bonds is not enough. But it is forgotten that gold ornaments—80 per cent of our gold is in the form of ornaments—do not give any return and these people will make investments, not motivated by a sense of return, but by a sense of patriotism. Government have given additional incentives to them that they will get back their gold after 15 years and they can convert it into gold ornaments of any purity. During this period they give a small return on the investment. If they keep gold merely as ornaments, there will be no return for them and I am sure these people are not guided by a sense of return or what they will get on their investment. But I would like to make one point and it is that they are giving them Rs. 3 as making charges on the weight or fineness of the gold. I would suggest that Government must consider giving Rs. 3 on the weight of the ornaments taken.

The other point that I would like the Government to consider is whether they could return the gold in the form of ornaments itself and not melt it. Probably they can return it as ornaments after 15 years. Some people may have some sentimental values and we can meet that sentiment also if we can return the ornaments provided, of course, the gold is not used for meeting our foreign exchange commitments. Without making any commitment, this concession could be given and I think it will be most welcome.

Another point which I would like to be considered by the Government is that the advances made on the Gold Bonds are on the basis of the market quotations. I would like the bank advances to be made on the face value of the Bond, say, 90 to 95 per cent of the face value of the Bond, irrespective of the market quotations, because after all, at the end of 15 years the gold will be returned and I am pretty sure that the value of gold is not going to deteriorate in these

fifteen years—it may remain static or it may increase in value as well. So, there is no question of any deterioration in the value.

The fourth point that the Government may consider is that Government may announce that if there is no need for keeping this gold longer, they may return it in 10 years' time instead of 15 years. This will give greater confidence to the people like Shri Dahyabhai Patel and others that they will get back the gold in future.

THE DEPUTY CHAIRMAN: I hope that you will finish in the next few minutes. I wish to call...

SHRI RAJENDRA PRATAP SINHA: Yes.

Of course, the 15-year Bond will be there. But in case the Government do not need the gold longer, they may declare that those who want it back after 10 years may take it because I am sure Government will be in a position to return this gold in 10 years' time.

These are the few suggestions that I wanted to make.

I would like this House to consider this measure in its proper perspective, the circumstances in which it has been brought forward, and to lend its full support to this measure.

SHRI MULKA GOVINDA REDDY (Mysore): Madam, I want to make some observations on the Taxation Laws (Amendment and Miscellaneous Provisions) Bill, 1965. The purpose for which this Bill has been brought before us is praiseworthy; nobody can have any quarrel about it. All of us are interested in the development of our country and in the defence of our country. The integrity and honour of the country should be defended at any cost. We have seen in recent months that Pakistan in collusion with China has committed unprovoked aggression against us and we have given a fitting reply to Pakistan by

[Shri Mulka Govinda Reddy.]
 driving them away from our own soil in some parts and also by occupying certain areas in West Punjab. Daily we have been hearing that the Chinese are committing aggression . . .

THE DEPUTY CHAIRMAN: You may continue later.

The House stands adjourned till 2.30 P.M.

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

The House reassembled after lunch at half-past two of the clock, THE DEPUTY CHAIRMAN in the Chair.

SHRI MULKA GOVINDA REDDY: Madam Deputy Chairman, I was telling the House how grave is the situation today. China has massed its troops on the frontiers and is day after day intruding into our territory, and a warlike situation has already arisen there. With Pakistan we had a bitter battle and we have been able to humble them. If some positive result is achieved on account of the mediation of the U.S.S.R. there will be some relief. But knowing as we do the present situation, knowing as we do the mind of the leaders of Pakistan, bent upon subverting democracy in India, Pakistan in collusion with China is going to create trouble for us. During the war, because we had produced a large quantity of war materials, we were able to withstand onslaughts. But all the same the help that was promised to us by way of supply of arms and armaments was not forthcoming; even the commercial supplies were stopped. So it has become imperative on our part to see that we are self-reliant and whatever is available from whichever source, we are not in a position to buy because of the acute foreign exchange position. Therefore, it is necessary that we harness our resources, try to minimise in whatever way and to whatever extent possible and raise more

resources. We should be realistic in our approach.

We can step up our resources by scrapping prohibition. Prohibition has proved a total failure. Particularly now when the people are faced with scarcity conditions, when they are not getting even a morsel of food, if toddy is made available freely it will be useful for the poorer sections of the population. If we scrap the prohibition policy, we will be getting more than a hundred crores of rupees per annum as revenue.

SHRI LOKANATH MISRA: That money is now going to the Congress sympathisers.

SHRI MULKA GOVINDA REDDY: Yes. Madam Deputy Chairman, we are facing very acute food shortage. Crops have failed. Rains have failed and people are going to hell. We have not been able to get food from outside in adequate quantity, and we have not been able to produce more, firstly for the failure of rains and, secondly, for the short supply of fertilisers.

Madam, we have got to import fertilisers if we want to increase food production in India. For all these reasons we require foreign exchange, and therefore we should devise measures to have better trade relations with such of those countries as are prepared to have Rupee account. The U.S.S.R. and some East European countries have created this Rupee area and to a great extent it has relieved our foreign exchange position. It is, therefore, necessary that we should explore the avenues for increasing this Rupee area. I wonder why Britain, with whom we have connections for a number of years, has not thought it fit to abolish the sterling area. At least the trade between England and India should have been made on a Rupee basis.

Madam Deputy Chairman, we have alluded to the fact that the foreign

exchange crisis is very deep and we have to earn more, and in order to earn more foreign exchange we have to export more and import less. But whatever we earn today by this import and export trade we are not getting enough foreign exchange because the trade is in the hands of the private trade.

I would like to suggest to the Government that they should seriously think of nationalising the entire import and export trade.

SHRI LOKANATH MISRA: And subsidising it.

SHRI MULKA GOVINDA REDDY: I have gone through the Government of India notification when they promulgated this Ordinance. On account of this Ordinance, gold bonds will be issued up to 31st January 1966 which will be redeemed up to fifteen years, that is up to 27th October 1980 and gold itself will be given back to the subscribers. So far as that goes it is good and is welcome. The tragedy of it is, the Government of India have not followed a rational gold policy. The Gold Control Act was promulgated some years back but very few people came forward to declare the gold that they had but now this incentive has been given to them that irrespective of the violation of the Gold Control Act they will be allowed to subscribe to the gold bonds which will be redeemed after fifteen years and their gold will be returned to them. I do not doubt that the Government of India—whichever Party is in power at that time—will give back the gold to the subscribers but my main contention is that you are going to encourage the blackmarketeer, the hoarder, the violator of laws and you want to pay a premium for the sins which he had committed.

SHRI LOKANATH MISRA: Would you trust Mr. Gurupada Swamy and Mr. Chandra Shekhar if they come to power?

SHRI MULKA GOVINDA REDDY: That is a question which they should

answer. There are other provisions of this Bill which say that the Income-tax Act, the Wealth Tax Act, the Capital Gains Tax Act, the Gift Tax Act and the Estate Duty Act will not be made applicable to such of those subscribers who want to subscribe any gold to these gold bonds. They have violated the Income-tax Act, they have evaded payment of the tax that was due to the Government. They have subverted all the tax legislations for so many years and they have hoarded not only gold but unaccounted black money. The present Bill seeks to convert that black money into white money.

Another advantage that they want to give to the subscribers of these gold bonds, who are profiteers, who have unaccounted money and who have converted this into gold is this. They will be benefited by this legislation more than any other section of the community. The names of the persons who subscribe to these gold bonds will not be published and even the courts are prohibited from making known the persons who have subscribed to these gold bonds. So it looks as though the entire gold bond scheme has been devised to give benefit to the hoarders of gold and to the accumulators of unaccounted money. This should be rightly called a black law for protecting the interests of the tax evaders, the interests of the smugglers, the interests of the unsocial elements of the community. When the Gold Control Act was passed, when the first Gold Control Order was issued, the Government gave an assurance that it will put down smuggling. What has happened is that the smuggling of gold has gone on unabated and the price of gold has gone up. Today one tola of gold costs nearly Rs. 180. Apart from this they have unnecessarily taken away the lawful avocation from half a million goldsmiths whose condition today is pitiable. They are reduced to the position of beggars and whatever little steps have been taken by the Government, they are inadequate and they will have to be at the

[Shri Mulka Govinda Reddy.]

mercy of some of these bureaucratic officers. At the time the Gold Control Order was issued, I welcomed it to the extent that it would be a beginning for putting a ban on those who owned gold beyond a certain fixed limit. We have introduced land reforms, we have made the agriculturists to own not more than some standard acres. How is it that the Government which swears by socialism does not put any ceiling on the holders of gold? The most profitable, equitable and socialistic legislation would be that no person should be allowed to possess more than ten tolas of gold. Some agreement could be reached about the amount of gold that could be held by any individual in India. Whatever gold is available, after that limit, should come to the Government and nobody should have the power to tinker or meddle with the economic situation of the country. Today the Government is passing this legislation in order to benefit these anti-social elements, these elements which have profited by the policies of the Government, which have evaded taxes all these years, which have inflated the prices of foodgrains and other necessities of life and which have brought the economy of India to such a serious situation. Madam Deputy Chairman, the Government of India gave another concession some time back, with regard to the unaccounted money. They asked the persons who had not declared their ill-gotten money, who held unaccounted money, who had evaded tax, to come forward and declare their unaccounted money, out of which 60 per cent will go to the exchequer, and 40 per cent will be converted into white money. But there was very poor response to that scheme. At that time, when questions were put, the Finance Minister was emphatic and said that no more concessions would be given and the period allowed would not be extended. But, unfortunately, he has again yielded to the pressures of those very unsocial elements, and now it is not even 60 per cent that the Government of India is

getting and it is not that 40 per cent that would be allowed to the subscribers, but it is a cent per cent concession that the Government of India is now envisaging under this Bill. So the policy of the Government in tackling the unaccounted money is not sound. While I lend my support to the efforts made in arranging raids on business houses with a view to unearthing their unaccounted money, the present measure will not solve that problem. They must come forward with a heavy hand to see that the unaccounted money is unearthed, and the gold that we need so badly, the gold that we need for guns, the ornaments that we need to buy armaments which should be unearthed. There are thousands and thousands of people belonging to the poorer sections of the community who are coming forward to subscribe to the Gold Bonds, but most of the big business community, most of the propertied men are not coming forward to subscribe to these Gold Bonds. And now they have formulated this measure in order that these anti-social elements who were immune to the measures of the Government all these months, may come forward now to make use of this occasion to convert their unaccounted money into Gold Bonds and get back the gold after fifteen years. Thus we are paying a premium to these anti-social elements. We are encouraging the tax-evaders. They are anti-national people. They are anti-people. One of the leading industrialists of this capital, it is reported, has subscribed about one lakh of rupees to the National Defence Fund, and it is reported, that he has subscribed, or his group of industries has subscribed twenty lakhs of rupees to the Pakistan National War Fund. If the report is a fabricated one I will be very happy. I want a categorical statement from the Finance Minister about this. Yes, these people love their country, but they love their money much more than their country or religion. You do not hesitate to arrest people under the Defence of India Rules if they were to bring to the notice of the

Government the serious food situation that is prevailing in the country. In Mysore, some weeks back, one Mr. Nanjunda Rao, a journalist, was arrested under the D.I.R. just because he brought to the notice of the Home Minister of Mysore the acute food problem that is prevailing in the country. But here is a big industrialist who subscribes twenty lakhs of rupees to the National War Fund of Pakistan, who helps our enemy in procuring more armaments and arms to kill our Jawans, helps our enemy to commit aggression on us to grab our territory, and that man is left scot-free, whereas honest political workers, just because they differ from the Congress Party, just because, as a matter of right, they bring to the notice of the Government the acute famine situation that is prevailing in the country...

THE DEPUTY CHAIRMAN: How much more time will you need now?

SHRI MULKA GOVINDA REDDY: Three or four minutes. ... they are put under arrest and the Defence of India Rules are brought into play. Why is it that these Defence of India Rules are not applied to those anti-social elements who are inimical to the society, who are undermining the economy of the country, who are subverting the economic structure of the country, who are responsible for inflation, who are responsible for the rise in prices of the elementary articles that are needed for the country.

So, in view of all this, Madam Deputy Chairman, I strongly feel that it is a black Bill and we should all oppose the passage of this law. Right-thinking persons, who believe in the honesty and integrity of the common man, should oppose such a measure which gives all protection to the tax-evaders, all protection to the holders of black money and all protection to the hoarders of gold, who never care to declare under the Gold Control Act. They have thus violated all the tax legislation passed for the benefit of the country and they have violated

it with impunity for their own benefit, and such people the Finance Minister seeks to protect, and it is a disgrace that Government should bring such an obnoxious measure for the consideration of this House. I oppose the Bill with all vehemence and emphasis at my command.

SHRI M. N. GOVINDAN NAIR (Kerala): Madam Deputy Chairman, there is not a shadow of doubt in my mind that every ounce of gold in this country, and the entire amount of black money circulating in this country should be mopped up by Government by any means. But I am opposed to the way in which they are doing this, and I am also sure that they are not going to succeed in this. This is a highly immoral Bill, and if it goes into the statute book, it will be a monument of the shameless surrender of this Government to the tycoons who were upsetting and subverting the economy of this country for quite some time. It is not only because of this Pakistani aggression. It is not only because we need gold very badly. Even otherwise, the circulation of huge amounts of black money in this country was actually vitiating the economic life of the country. We have reached a state, and our economy has reached a state when, due to the stress of this unaccounted money, it is about to burst.

Think about the present situation. The price of every commodity in this country has gone up very high. It has gone to such an alarming heights that ordinary commodities are beyond the reach of the ordinary man. On the food front you know the situation we are facing. Here also my hon. friend pointed out that Mysore is on the verge of famine. News from Maharashtra is alarming. Huge areas are affected and millions of people are affected. Even in the surplus State of Andhra Pradesh there are famine conditions. As far as our State of Kerala is concerned, we do not know when the entire people there will be left to complete starvation. Now, the hon. Minister may ask me, "Why are

[Shri M. N. Govindan Nair.]
 you bringing all these things now"? Well, it is accepted by everybody that these high prices are due to the influence of this black money. So also this fall in the production of food-grains to the extent of 3 million tonnes due to drought cannot be an excuse for this state of affairs on the food front. Here also the black hand of the black money holders has to be seen. Again, what is the position on the labour front and on the industrial front? Well, in the textile industry nearly 65,000 workers are already retrenched and many more are awaiting retrenchment. The other day you must have heard or read the news that in Hinganghat near Nagpur, the desperate retrenched workers attacked the manager of the concern and he was murdered. So the entire economic situation of the country is heading to a crisis.

With regard to foreign exchange we are facing one of the most acute crises in foreign exchange. The other day we gave a subsidy of Rs. 19 crores or so to the sugar industry to salvage Rs. 9 crores of foreign exchange. At such a time, you know through illegal means certain business houses in this country were accumulating savings in foreign banks. The Government hopes that by this Bill they will be able to tap both the black money and the foreign savings and use them for the benefit of the country. Here they are going to be disappointed. The logic of all these developments should lead the Government to take immediate and appropriate steps to save the country from the clutches of these tycoons who flourish both on black money and on illegally acquired foreign exchange. Look at the irony of it. Instead of doing that, the Government has come forward with a legislation to make all black money white. They are not bothered to save the economy of the country. They are bothering themselves to save the very forces that are bringing ruin to this nation. So I say that what the Government should do is to scrap this Bill, withdraw it, take it back and

take proper measures to stop the growth of this black money and these illegal foreign savings. So also they should take stern measures to mop up the black money already in circulation. There is no use pretending that the Government does not know the sources of the growth of this black money. Our Home Minister is the leader of the Sadhu Samaj and the Sadachar Samiti. Well, the Samyukta Sadachar Samiti has gone into this question and they have published a booklet and in that they speak about the unaccounted money. "The Problem of unaccounted Money and how to tackle it" is the title of this booklet or pamphlet. Here they speak about the amount of unaccounted money and how it accrues and all that. They have given some 15 reasons or sources for the accumulation of the unaccounted money and the avenues of their utilisation. I am not going to deal with all the fifteen of them. I am going to pick up the major factor which is contributing to this growth of unaccounted money. Here this is what they say:

"Under-invoicing of exports with a view to evade taxation and accumulate wealth in foreign banks.

Over-invoicing of imports with a view to transferring surplus funds and to keep part of the wealth in foreign countries."

This under-invoicing and over-invoicing is one of the main sources of this black money and also of these illegal foreign savings. The manufacturers' association in Calcutta which tried to go into this matter has calculated that the yearly loss to Government due to this under-invoicing and over-invoicing is to the tune of Rs. 100 crores. Calculate how much it would come to within the last 17 years. Again, the Sadachar Samiti has calculated the total amount of black money in this country or the annual addition to black money in this country. This addition is to the tune of Rs. 200 crores and their estimate of the total amount of black money in

circulation in this country is Rs. 3,400 crores. Well, this black money is circulating either in the form of notes, or in the form of bullions or as stocks. There are various ways in which it is circulating. You can realise the immensity of this figure only when you know that the total amount of currency officially in circulation in the country at present is between two thousand five hundred crores of rupees and two thousand six hundred crores of rupees. The black money is much more than the actual official currency in circulation and how this will subvert and undermine the economy of the country can very well be imagined. In this situation, instead of trying to placate these people, Government should have immediately taken over the import and export trade which would have given them, from the figures I have just now placed before you, an additional income of a hundred crores of rupees leaving aside everything else. This would have helped you very much. You may very well ask, what are we to do with the black money already in circulation? The Finance Minister is a very able person and I ask him, is there no way of mopping up that money? If they take steps to demonetize the currency, will it not be possible for them at least to get a good chunk of the money already in circulation? Instead of taking to such methods, they have come with a Bill to give all encouragement to those people who have evaded taxes and who have tried to make money by any means and now Government is asking Parliament to approve of their acts. I need not go into the provisions of this Bill because they are widely advertised and are intended to attract all those who have gold and money to invest in Gold Bonds. They have been told that no enquiry would be held into the source from which the money came. Even if a dacoity is committed and if they bring the money to the Government, people are quite safe. Nobody will know how much money these people have, how they have deposited. All these will remain top secret. In addition, they will get a reasonable profit.

It has been argued by some people that the interest offered is not sufficient, that they would get more by resorting to normal deposit. If gold is in the form of ornaments, they would not get anything and this return of 4½ per cent. provided in the Bill is a sufficiently attractive income. This is the hay day for the smugglers, blackmarketeers, dacoits, thieves, for all those belonging to the anti-social forces. They can come forward and deposit the earnings safely. No court will lay hands on them and no officer of the Income-tax Department will pursue them. The tax people are very clever people and one of our military officers crossed the border to fight the Pakistanis; our Income-tax officers sent him a notice for payment of tax. The anti-social forces need not be afraid of them and no authority whether belonging to the Wealth Tax department or the Income-tax department or the Estate Duty department will turn his cudgels against them. In addition to this, anybody who exposes these people will be severely punished. More than all this, if these people buy Gold Bonds, they will be adorned with the crown of patriotism and they will be put on the same pedestal as the heroes who fought on our borders and lost their lives in saving the honour of the country. Government wants the stamp of Parliament for this immoral and vicious Bill. We are a duly elected body representing forty-seven crores of people and coming from all the States. We constitute ourselves into a sovereign body whose right there is none to dispute. If the Government could get the stamp of this Parliament, the safety of the anti-social forces is secured and that is why the hon. Minister has come forward with this Bill. Well, you have a majority, a brutal majority, and you can get any Bill passed here. If there is anybody on that side who may feel a bit bothered about it, don't bother. There is Nandaji. After his experience with the Sadhu Samaj and the Sadachar Samiti, he has now a new scheme. He is starting a research into the psychology of corruption and if he succeeds in that, if he gets at

[Shri M. N. Govindan Nair.]
the root of the matter, then he can come forward one day with a solution and completely clear this country of corruption. In the meanwhile, if you want this Bill, sanction it. This is the attitude. People like us can never support this type of a measure. That is not all. Here comes the anti-climax. What is the response to these fervent appeals? During the last appeal Government was able to collect fifty-two crores of unaccounted money. I think it was Sardar Vallabhbhai Patel who was able to collect fifty-nine crores of rupees. What is the response now? Up to last week, it was reported to be about a crore and a quarter of rupees. Why? Why this failure? Some people here want to make out that it is because encouragement is not sufficient. In making this appeal the Prime Minister relied on the patriotism of these people. I do not know how the Prime Minister after this experience could rely on the patriotism of this section. In 1962 when we were attacked by the Chinese, then also there was an appeal to the people, to all sections of the people, to voluntarily contribute gold. I think the late Prime Minister summarised the result of the appeal; he said that in fact the ordinary people, people coming from the middle class, lower middle class peasantry, contributed voluntarily much more gold than these bullion-holders. Again during this war—I think it was a week ago—the Prime Minister had to say that the response of the rich people was very poor. Now, I will draw your attention to a statement issued by the General Secretary of the U.P. Congress Committee, Shri Govinda Sahay. He has said that in the Second World War when we were under the domination of the British, when the people in this country did not co-operate with the war effort, from U.P. alone they were able to collect Rs. 52 crores. This is the statement of the Congress General Secretary of U.P. He also complains that the response now is poor. I need not repeat what my friend, Shri Govinda Reddy, has

said. While the war was going on an industrialist of this country paid Rs. 20 lakhs to the Pakistan War Fund and paid us Rs. 1 lakh. Again another industrialist in Calcutta found this was the most opportune moment to make the maximum profit by smuggling goods to Pakistan. I do not know how the Government, how the Prime Minister, can rely upon the patriotism of such a class which has only one loyalty and that is loyalty to profits, superprofits, maximum profits and nothing else. So the reliance of the Prime Minister on this class of people that they will come forward with patriotic fervour to help the Government in this situation is misplaced.

Secondly, some people here want to make out that if this money is invested in normal channels like industries the benefits that will accrue will be much more. So a better arrangement should be made, that is the tone of their argument. My feeling is that it is not that which they have in mind. This money and this gold which they possess, which they can utilise and they have been utilising during these last few years in making exorbitant profits and the hands of law have failed to catch them. Here also I have to depend on the Sadachar Samiti.

THE DEPUTY CHAIRMAN: You have taken nearly half an hour.

SHRI M. N. GOVINDAN NAIR: Here it says:

“Further there is a lack of enforcement of the penal measures provided in our enactments.”

Again in some other place—since my time is short I am not reading it—they make mention that one of the reasons is that during these years no penal action was taken against any of these people. So with the black money in their hands, with the hoarded gold in their hands they could utilise it in ever so many ways by

which they could accumulate large profits and it has been proved by previous experience that the hands of law cannot reach them. For example, Madam, as you know in the teeth of opposition of all the Opposition Parties, with the brutal majority of the ruling Party, a Gold Control Act was passed. They said that that Bill was intended to stop the smuggling of gold, to reduce the price of gold to the international level and so many other promises were given out when that Bill was introduced. Now what is the result? Excepting that lakhs of goldsmiths were thrown out of employment, were you able to control smuggling? Were you able to get the gold from those people who are holding it? Were you able to bring down the price of gold to the international level? You have failed in all these; you have only succeeded in throwing lakhs of people into starvation, hunger and unemployment. So they found that whatever be the provisions in the Bill, whatever be the stringent measures envisaged in the Bill, when it comes to practical application it will not touch the top fringe. Now we hear of raids; many business houses have been raided and much money, has been got out. But did you send any one of them to jail? Well, the jail is for the political workers. When it comes to the big business houses, whatever be their fraud you are out to help them, you are out to save them. As long as you follow this policy, you can rest assured that any of these Bills is not going to bring in the desired result. So, I again appeal to you that you are faced with a situation, whether there is Chinese aggression or whether there is Pakistani aggression or not, where, unless you tackle this problem of black money holders, your entire economy is going to crash. It is now not too late if you take proper measures. Take over the export-import trade. Apply the law effectively against the black-marketers and hoarders. Then you have a chance. Otherwise, you are heading to a crash. Our country is not going to be defeated at the hands of the

Pakistanis or the Chinese. But you are going to get defeated at the hands of these black money holders. This country will be heading to a crisis and it will lead to a crash. At that time even God may not be able to save you. So, I appeal to the Finance Minister to take a drastic turn in their policies and deal with the realities that they are facing today, take proper steps to curb the money hoarders and save the economy of this country. Thank you.

SHRI AKBAR ALI KHAN (Andhra Pradesh): What has God got to do with you?

SHRI G. H. VALIMOHAMED MOMIN (Gujarat): Madam Deputy Chairman, I support the Taxation Laws (Amendment and Miscellaneous Provisions) Bill, 1965. I was not inclined previously to give many encomiums to the wisdom, to the foresight of the Government. Despite stresses and strains the Government has shown a fair, dignified and gentlemanly attitude even to the tax evaders. After hearing the speech of my predecessor, my hon. friend who has made inflated criticism, I must say that the ten or fifteen words used do not exterminate the tax evaders. No amount of such criticism against the tax evaders will obliterate the fact that these two schemes, namely, the National Defence Gold Bonds and the National Defence Loans of 1968 and 1972, alone, will deal with the tax evaders. It is a scheme for the mobilisation of resources, whether the resources are with the small people, with the middle-class people, with the rich people or with the honest tax-payers, if they have got any surplus income. Also, it is the last and final offer, as a democratic, gentlemanly, civilised Government, even to those who are outside the pale of our society even today. Tell them that here is an offer made to you in the name of the country at a time when the country is passing through a particular crisis created by

[Shri G. H. Valimohmed Momin.]

the treacherous attacks both by Pakistan and by a scheming China who are creating conditions to destroy our very economy. Not only that. They want to destroy our very country as a self-respecting nation not only before the eyes of the people of this country, but also before the forum of the comity of nations. We want to discharge every obligation we have taken from the foreigner. How is it that in this august House some of our own hon. Members doubt that we will not be able to give back these loans? These loans will run into a few crores. The foreign obligations and commitments run into thousands of crores. Foreigners have faith in our sagacity, in our honesty and in our capacity to pay back what we have taken, but it is very painful to see hon. Members like doubting Thomases saying all sorts of things, which ultimately, if they go out in the papers, would mean that the people's faith would be a little shaken. This is a time when all our energies should be bent not only on the mobilisation of resources, but also in telling our people that these resources are meant for the defence of the country, that these are meant to keep our economic development schemes going. Not only that. It is meant to show that if we want to take a self-respecting attitude even before the big powers, i.e. America and the U.K., whatever may be their attitude, we shall not yield to anybody under any pressure. We shall stand on our own. This stand behoves our dignity and self-respect because of the emergence of these two measures. Previously efforts were made. Much criticism is made that even this Government has left all these tax evaders. How many crores of rupees have been unearthed by these enforcement raids? Are they not complaining that you have been hard with this class? If you do not touch them, then the criticism is that you are soft. If you touch them, then the criticism will be that you are hard. The Government has either to the hard line

or the soft line. In the beginning any decent Government will toe the soft line. We have not lost faith in the goodness of man, even in a tax evader. How many of them are there? Even if they have not got gold but the others have gold, is the scheme to be scrapped, only because it gives some advantages to them? What advantage does it give? It only offers them an opportunity to invest this money in the gold bonds or in these loans, so that out of the money so acquired we can carry on all those activities which are absolutely necessary in the present context of things.

Then, there was a criticism like this and prohibition was brought in. Prohibition, according to me, has brought comfort to many homes. It has made our nation look well morally also. What about the income from it? Where has that money gone? If you want to have income from the abolition of prohibition, by the people drinking liquor, whether they be foreign liquor or toddy, and people loitering on the roads and streets, it creates disgraceful scenes. This Government will not relax prohibition under pressure . . .

SHRI LOKANATH MISRA: No, you have sufficient . . .

SHRI G. H. VALIMOHMED MOMIN: We are strong enough to meet any situation that arises. Members of the Opposition have no responsibility to govern. It is the Congress Party which has the duty to govern and it shall discharge its duties most efficiently and magnificently, as the jawans have done. (*Interruptions*). We shall not yield to any of your fissiparous criticisms or try to please the palate. We have set our eyes on certain objectives. The objective is that we shall deal with the malady not in the way you wish. You wanted to deal with the malady in Kerala. You failed totally. You could not govern even a small State like Kerala. The Communist Party I am referring to. How can the Swatantra

Party govern any country without any principles? (*Interruptions*). It is all right. You can do anything. I am not going to yield. We have seen your reaction. We have seen in the Opposition Members a few smiles, a few things said in retaliation, trying to belittle what this Government has in all seriousness done. This is not only a Bill. It is even an appeal to you, to hon. Members to go outside the House and tell our countrymen, tell our friends, who, according to them are tax evaders and have gone astray:— "Here is a moment in the country's history. Please come out with your money and invest it, so that all these activities can be done." And that is why a few sorts of rebates are given. Even in respect of ornaments this Government has very wisely said: All right, you have spent so much on their manufacture. Even that we shall pay. On whatever you invest we shall give you interest also. This is not taking money whether from the rich or the vested interests. It is tapping every small and big source and that is why I do commend the Finance Minister, who has the greatest wisdom and the greatest foresight. He must have foreseen the sort of criticism which would be made, but he has taken courage in both hands and has come forward with this measure. In supporting this measure, we affirm our determination that whatever is possible without our sphere of influence will be done and we shall see that despite opposition from some quarters this scheme succeeds and succeeds completely and achieves its objective.

SHRI D. THENGARI (Uttar Pradesh): Madam Deputy Chairman, as a layman I have been unable to understand the logic underlying the different economic measures of the Government. A few weeks back the Government introduced the Gold Control Bill knowing fully well how adversely it was going to affect not less than 2 million members of goldsmith families, and though the Akhil Bharatiya Swarankar Sangh, which was about to launch an agitation, refrain-

ed from doing so as a gesture of goodwill and patriotism because of our armed conflict with Pakistan, our hon. Finance Minister had not a word of appreciation for these poor starving goldsmiths, and now he has come forward with a measure patronising officially the blackmarketers and anti-social elements.

SHRI AKBAR ALI KHAN: He has provided for goldsmiths.

SHRI D. THENGARI: The obvious implication of this Bill is that honest payment of taxes is a folly and not a virtue. This Bill confirms my previous impression that the Government is specialising itself in the art of pleasureless sin.

One after the other, the Government is presenting to the people measures that enlarge the premium on dishonesty and corruption. But while the premium is being increased, the returns from these three consecutive measures are progressively disappointing. It is interesting to measure the achievement of each consecutive scheme in the light of the fact that the total amount of evaded income-tax is of the order of Rs. 3,400 crores; and gold in India is estimated at Rs. 4,000 crores, 80 per cent in the form of ornaments and 20 per cent in the form of bullion. This Bill exempts the subscriber from a number of taxes—Wealth Tax, Gift Tax, Capital Gains Tax, Estate Duty. It has been laid-down: Persons who have acquired the gold, subscribed by them towards the Bonds, out of their income which they have not disclosed for the purposes of income-tax, excess profits tax, business profits tax, super-profit tax or surtax, will not be liable to any of these taxes on such income, in assessments for any assessment year made after the 19th October, 1965, if the income had not been detected by the Income-tax Officer before the date on which the gold was subscribed towards the Bonds and the the gold offered for subscription had not been seized under any law before

[Shri D. Thengari.]

the date of the subscription. The assets represented by such undisclosed income will not be liable to inclusion in the net wealth of such persons, and courts will be barred from requiring any public servant to give any evidence pertaining thereto. The criminals are assured of full negotiability, pledge, sale, and what not. No question can be asked of the subscriber about the source of the gold subscribed. No searches, no harriving, no penalties, no payments.

Obviously, this is legalising the illegal, the immoral, the criminal, the sinful acts of the wealthier sections of the population. As I said earlier, through this Bill the Government is committing a sin; but, what is more, it is a sin without any compensating pleasure.

According to the latest information, the stock market is worried about the discouraging response to the new Gold Bonds.

During the first 21 days after launching the scheme, the collection of gold amounted to 1,538 kilograms, which works out to more than Rs. 2 crores at the Indian price. It is equivalent to Rs. 82 lakhs only in terms of international price. There is a progressively downward trend in the prices of the new bonds. When the scheme was inaugurated, the bonds were unofficially transacted at the rate of Rs. 100 per 10 grammes. Trading in the bonds was officially started in the stock market in the middle of the current month; the price then dropped to about Rs. 89 or so per 10 grammes. But the rate has since declined to the low figure of Rs. 83 per 10 grammes.

The new bonds carry an interest of Rs. 2 per 10 grammes for 15 years. So the total interest of Rs. 30 will accrue at the time of redeeming the bonds by gold. Taking into account the international price of gold at Rs. 53.58 per 10 grammes, the value of the bond on maturity should not amount to more than Rs. 83.58 per 10 grammes.

Although the collection this time was in the initial stage better than that in the earlier two bonds, i.e. of 1962 and of March 1965, it is far short of expectations. The over-optimism in the official circles about the materialisation of the declared estimate of Rs. 500 crores is based upon unrealistic calculations. Even the Prime Minister's modest target of Rs. 200 crores seems to be quite unattainable.

The main object was to compensate for the acute shortage of foreign exchange. True, unless enough gold is collected, we cannot maintain the working of our industries that will suffer consequently from the shortage of raw materials, spare-parts and components. That is all right. But the way devised by the Government is not effective. It is highly improper. Is there no other remedy available, except offering sinful allurements to the anti-social capitalists? On account of this tendency of the Government, those anti-social elements are bound to bring pressure upon the Government to give further concessions to their sins.

In view of the steady progress the Government has been registering in the art of pleasureless sin, I am led to believe that sooner, rather than later, the Government will announce that the Gold Bonds shall be Bearer Bonds. Direct conversion of unaccounted money into gold and subsequently into Gold Bonds may also be facilitated. That is my apprehension based upon the present policy of the Government. I feel that this is not the proper way to meet squarely the economic crisis. The only appropriate method would be to appeal to the patriotic feelings of countrymen. All of us have reasons to believe that, if appealed to properly, our citizens would be prepared to offer everything they possess at the altar of the Motherland. Our nation has a glorious traditions of complete, unreserved self-sacrifice at the altar of the Motherland—from the sage Dadheechi of Vedic times to the hon. recipients

of Gallantry Awards at the hands of the President during the last week. There is absolutely no cause or justification for nervousness on this score. Even at this stage I request the Government to withdraw this unlawful and immoral measure.

Madam, revered Mahatmaji always insisted upon purity of the means. He never subscribed to the Communist theory of "ends justifying the means". He would not even welcome Swaraj if it entered India through the gates of immorality. Economics divorced from ethics was disastrous, according to Mahatmaji. I am confident that if he were really able to be in the House at the time of introduction of this Bill, he would certainly exclaim in Shakespearean style: "What a fall my Finance Minister". Thank you.

SHRIMATI DEVAKI GOPIDAS (Kerala): Madam Deputy Chairman, I stand here to support the Bill wholeheartedly. This Bill is one of the commendable steps taken at the appropriate time and we hail it as designed to appeal to the better feelings of our countrymen. This Bill clearly shows the anxiety on the part of the Government to unearth the hoarded gold and utilise it for the national benefit. We are now faced with national aggression from all sides, from the north and the east. When we have to have so much of defence weapons and we have to grow more food and we have to go on with all the economic development schemes of our country, we want gold. Now we are faced with foreign exchange scarcity and to meet that situation we want gold, and gold alone can be the solution. We believe in the principle of *sama, dama, bheda, danda*. We have appealed to the good sense of the people and this Bill is based on that principle. Now, it has been criticised that this Bill has to be scrapped and that it is not in accordance with the principle that we have so far adhered to. And I have heard one hon. Member quoting Mahatmaji. I would like to tell

him that this is a democratic State and Mahatmaji always believed in the good sense of the human beings. He always appealed to the good feelings of human beings, and it is in accordance with that principle that this Bill has been brought forward. We have to raise a slogan: "Ornaments for ornaments and gold for guns." That means that we have to have gold to purchase all the materials that we want from abroad. As I have already stated, to go along with our developmental schemes, we want to have so many things imported, things which are not produced here. Of course, we are trying to go in or the indigenous material for developing our industries. Even then, we will have to import so many things. I will take one simple instance. Take, for instance, mercury. We have to get it from abroad. If we do not have that simple thing, we will not be able to proceed with many of our defence productions and we will not be able to proceed with some of our industrial development. Its absence will retard so many of our programmes. It is a simple instance. If you want to get it, you will have to have the foreign exchange. And if you want to pay the foreign debts, you will have to have the foreign exchange. And that is why this Bill has been brought forward; this Bill has not been brought forward to help the blackmarketeers or the hoarders. We have seen that our Intelligence Department has rounded up so many hoarders and blackmarketeers and they are being properly dealt with, and I would request the Finance Minister to proceed head-strong in rounding up the hoarders and the blackmarketeers.

It is estimated that 80 per cent of the gold is in the form of ornaments and 20 per cent in bullion. Almost all these ornaments are with the womenfolk and if one were to get into the household of the womenfolk and search them, I am sure the hon. Members who are speaking so loudly against this Bill will be the first to

[Shrimati Devaki Gopidas.]
come and raise their voice in Parliament that the Government is not even amenable to reason and it is going against any gentlemanly behaviour. This gold has to come out. According to this Bill, we find that this gold is requested to be given as a loan by the Government; it is a profitable loan. The Government is prepared to give the making charges of Rs. 3 per 10 grams and also Rs. 2 per 10 grams as interest per year. So, this is a profitable and commendable programme placed before the people. I hope that our people who are patriotic and who have shown their patriotism during the national emergency which we have faced, will come forward with all their gold and gold ornaments.

Regarding the gold bullion hoarded, about Rs. 200 crores worth, those people are being allowed income-tax exemption, wealth-tax exemption, gift-tax exemption and estate duty concessions. This is just appealing to their good feeling and this is the last resort—this offer to the hoarders who are already possessed of bullion. And then I feel that this is more in tune with and more in favour of the honest people who have gold. As has already been said, we find that the common man, the poorer section of the people, does not even hold two grams together. They will come forward to offer their gold to defence efforts by way of Gold Bonds and also donation to Defence.

One commendable feature of this Bill is that no minimum is stipulated. Any person can give anything, any amount of gold, that he or she is having, to this Gold Bond Scheme and do their mite for defence production or the well-being of the country.

Regarding hoarding of gold, we know that it is a deep-rooted social habit with our people. From time immemorial, people, especially womenfolk, used to convert their little bit of savings into gold and have gold ornaments made. That is only because

gold can be easily converted into money. They can pledge it and can get money and utilise it for their immediate purpose. I would like to suggest that there must be some method whereby people can get money at any time they want. That is, the banking facilities we will have to improve. At least I feel that we must have a bank at the district headquarters which will take care of the needs of the people and which will give them money even at night. If we have facilities like that, I feel that the people will not tend to hoard gold. Ours is one of the countries—may be the only country—where people are so much fond of hoarding gold.

Regarding hoarding gold, I would like to say one thing more that it is mainly because of men. We always talk of women hoarding gold ornaments. For example, I can say that if a girl is to be married, then the menfolk say that so many sovereigns worth of gold ornaments should be given. It is because of this that mainly these ornaments are being held by the parents. I know. The parents have to give so much of gold ornaments to their girls to get them married. So, I would blame the men also equally for hoarding these ornaments by the womenfolk.

SHRI LOKANATH MISRA: You must accuse the mother-in-law.

SHRIMATI DEVAKI GOPIDAS: It is the Indian society and I know that in the Indian society, it is the man who is supreme.

I would like to say that we have to give enough, wide publicity to this Gold Bond Scheme. I feel that this has to be kept open for two years at least because gold ornaments are being held by women and we have to educate them, we have to tell them that they will not be caught, that they will have so many facilities if they invest their gold in Gold Bonds and that it will benefit the country. We

have to educate them on these lines and I would request the hon. Minister to keep it open for two years at least.

Regarding the agencies where we should deposit the gold, they are only the Reserve Bank of India and its branches and also the State Bank and its subsidiary branches. But I would request that all the scheduled banks should have the facility to take the gold and give the Gold Bonds.

Then I would also like to say that the Gold Bond should have the value of a security bond. In case any person wants to get a job or anything, he will have to give cash security and for that this should be useful. Then, it should also be easily negotiable and it will be more helpful to the poorer sections of the society. Regarding the small quantities of gold or sovereigns held by the poorer sections as savings, these can be used at times when they are in need. Such facilities should be given to the Gold Bond holders. I hope they will get enough facilities.

I trust that our people who have shown their patriotism and risen as one man against the naked aggression which we have faced, will not hoard gold and instead of getting it wasted by wear and tear, will come forward with their gold and invest it in Gold Bonds and that they would thereby benefit the whole nation.

Thank you.

4 P.M.

SHRI N. PATRA (Orissa): I rise to support the Taxation Laws (Amendment and Miscellaneous Provisions) Bill, 1965. This Bill represents a pragmatic approach to the problems created by the unprecedented national emergency. There should really be no objection to its provisions to afford an opportunity to people with concealed gold to bring it into the open for a public purpose. In fact, the principle of allowing voluntary disclosure has already been adopted in the Finance Act. There is a desperate need

to supplement our foreign exchange. It has been agreed by all the previous speakers, even the Opposition leaders of different parties that we are now passing through a very critical juncture so far as our foreign exchange is concerned. At present exports to foreign currency areas are to the tune of Rs. 600 crores only. To the money payment countries our exports are about Rs. 800 crores but they do not earn any foreign exchange for our needs. So out of the Rs. 600 crores which we earn annually, about Rs. 180 crores go towards payment of our old debts. After deducting that barely Rs. 420 crores are left for our Defence. For our refineries and fertilizer imports, Rs. 320 crores are spent. So what is left? It comes to barely Rs. 100 crores to meet our other obligations. With that we cannot do anything. We have to import books, periodicals, newsprint, medicines and a number of other things. It is impossible to import all this with barely Rs. 100 crores. Therefore the need for having more foreign exchange is great. How can we do it? It is estimated that in this country there is about Rs. 200 crores of unaccounted money. So far we have had two Gold Bond Schemes. Through the first one we could net about Rs. 800 crores worth of gold. In the Second Scheme we have not reached Rs. 400 crores. We are giving little concessions. Gold is not with hoarders only or those who have converted this scarce foreign exchange into bullion. It is also with our people in the form of ornaments. They feel that a chance should be given to them to show their patriotic sense by depositing that in the Gold Bonds. Now the aptitude of the people also has changed. There are lots of outmoded ornaments which are not helpful for their daily use. On ceremonial occasions, at the time of marriages only, they are worn, once or twice in a year and they are not used generally. Therefore for those womenfolk there is a chance given that if they invest their gold ornaments, they will get a pre-

[Shri N. Patra.]

mium of Rs. 3 for 10 gms. to cover making charges and Rs. 2 per annum for every 10 gms. of pure gold. So far they were getting nothing. Now it is a good chance. When there is need to net foreign exchange, it is necessary to give some incentives to those people who are not amenable to reason, not so patriotic and to give them the last chance is not bad. There are two courses left for the Government. There is the hard way. You can terrorise the people but this is a *democratic country and that method* will not succeed. What do we see? If any stringent measures are taken, in a patriotic way, in a legalised way, even our friends of the Opposition who belong to different political parties, will raise in the name of the people, a lot of objections. It will be very difficult to cope with the situation. So the only way left for us is the soft way, the persuasive way, to appeal to the good sense, to the patriotic sense of the people to come forward at the time of the crisis. Our friends are telling that our people are patriotic. They are really patriotic. Why do they not go out and help the Government and help the nation when it is confronted with a life-and-death question? What is the Government doing? The need of the hour is that we want foreign exchange. When we are adopting some methods they are indirectly putting forward false pleas and they say that the Government is doing immoral things. It is funny to hear from the P.S.P. friend that we are to scrap the 'immoral' law of prohibition for a few hundred crores of rupees but when the Government is going in a legal way, to net some foreign exchange by way of Gold Bonds, he is raising objections saying that it is improper. Now he is suggesting to us to improve other things. He also realises the gravity of the situation but he wants to give a good-bye to the good prohibition law which has helped the poor down trodden people to become better-off. At such a juncture, the Government has given

another chance to the people to come forward with their hidden gold. It may not look proper but what to do? We also, as patriotic men, as men who have suffered for the country, know that it is not a very proper way but what has to be done under the present circumstances than to give some concessions to the people? Therefore I support this Bill.

THE DEPUTY CHAIRMAN: Mr. Krishnamachari.

SHRI V. M. CHORDIA (Madhya Pradesh): I had given my name.

THE DEPUTY CHAIRMAN: Mr. Thengari spoke.

SHRI V. M. CHORDIA: Only for seven minutes.

THE DEPUTY CHAIRMAN: We have overstepped the time-limit.

THE MINISTER OF FINANCE (SHRI T. T. KRISHNAMACHARI): Madam, it is somewhat difficult for me to sort of answer some of the points raised by hon. Members opposite for the reason that the criticism is not pertaining to the clauses of the Bill. At the same time, I must express my gratitude to Members on this side who supported the Bill. Mr. R. P. Sinha's speech has made my speech unnecessary. I am also grateful to our friend from Malabar who had a number of constructive suggestions to make which certainly must set the Government thinking. I am grateful to the hon. Member who spoke last for his support.

The Bill itself deals only with gold. There is only one other clause in the Bill which makes it possible for the Government not to collect advance Income-tax on National Defence Loans. Barring that the whole thing pertains to gold. But before I deal with the subject of the Bill I like to refer to one matter only, which one hon. Member mentioned, I think two hon.

Members mentioned. I am not here as defender of any particular firm in India either to praise them for their good deeds, or defend them against what they have done which is erroneous. I have heard for quite some time both in this House and the other House that a firm based in India had given one lakh of rupees to the National Defence Fund and that one of its allied concerns in Pakistan had given twenty lakhs of rupees to the Pakistan National Defence Fund. Now I made enquiries. Obviously it could not be true. But what happens is this. The Pakistan concern has been taken over by the Pakistan Government. They maintain the name; they have taken it over and they have just taken twenty lakhs of rupees from the resources of the concern and subscribed it to the National Defence Fund of Pakistan. Well, a lot of play is being made of this man who has got to be pitied, because he has not only lost control over his firm in Pakistan and its moneys, which are being squandered away in various ways, but also, if at any time there is peace and the concern comes back to him, it will come back to him in a very impoverished state. It might happen to me, Madam, because, as the Finance Minister of the Government of India, I have indirectly a stake in the State Bank of India. We have a branch of the State Bank of India in Karachi. It is quite likely that tomorrow the State Bank of India at Karachi has contributed twenty lakhs of rupees to the Pakistan Defence Fund, and I hope my hon. friends won't tell me that I have contributed twenty lakhs of rupees to the Pakistan Defence Fund. It is a case in which the parties here are completely helpless, and the Pakistan Government can do what they like. I am only mentioning this, not so much in defence of the industrialist in India but to indicate how utterly uncharitable we could be, by hearing a radio message of Pakistan and saying that the Delhi Cloth Mills in Pakistan has given twenty lakhs of rupees to the Pakistan Defence Fund, and im-

mediately saying that anybody who is the owner of the Delhi Cloth Mills has given twenty lakhs of rupees. I mean, it may be that sometimes, in order to keep their business going, they have to do many things. But in this case they are completely thrown out of gear. Of their men perhaps many of them are in prison, or otherwise rendered incompetent to deal with the affairs of the company, and the Pakistan Government merely transfers the fund and perhaps put it on the radio and say that these Indian companies have also given us money for the Pakistan national defence. I am really mentioning . . .

SHRI ARJUN ARORA (Uttar Pradesh): What have they contributed to the National Defence Fund here? They are free to contribute or not free to contribute here. What is their contribution to our N.D.F.?

SHRI T. T. KRISHNAMACHARI: Well, whatever their contribution may be, it may be small, it may be big, hon. Members will be quite right in criticising them for giving a small amount. Somebody else might be equally free to criticise them for giving a large amount. I may tell the hon. Member myself. I would prefer much rather that companies do not contribute to the National Defence Fund but contribute to the National Defence Loans, because I am giving half of it. I would prefer much rather that this contribution to the National Defence Fund comes from individuals, not from companies. Secondly, what they will say is, "I have given this money away to the National Defence Fund. I want resources. The bank should lend us more money." So what they can give may be a smaller amount; so much the better. I do not want to taken away their resources and give large amounts out of them and then they may come and say, "we have no resources for conducting our business." so, we do not want it from them, because I know I am paying half of it. I am paying, and what is

[Shri T. T. Krishnamachari.]

the object of somebody giving half of my money? I do not know if my hon. friend is familiar with the saying in my part of the country. Somebody very foolish like myself made a Ganesh out of *gur*. Then he found that he had used up all the *gur* for making the Ganesh. He had to offer some *navedya*. It was not Monday evening. Therefore he could not deny God *navedya*. He took out a big chunk of the Ganesh and offered it to Ganesh. So what is the use of these people offering a portion of the money that is legitimately due to Government. I would much rather prefer that they don't; that is neither here nor there. I am merely speaking to you how the criticism, which looks ostensibly and perfectly valid, also implies that these people have done something egregiously wrong. But at the same time they are not parties to it as they have the spectacle of somebody taking away their money and distributing it galore and then claiming that it has been given to the Pakistan National Defence Fund. I am merely mentioning this to indicate how a criticism which is not verified can not only be extremely uncharitable, but also completely off the track.

Now, Madam, hon. Members opposite have said that this Government has no following in the country, that nobody has any faith in the country, that nobody would give any money to the country. All right. Woe to the Government. Nobody gives any money, because we are not compelling them to do so. If on the other hand there is an element of compulsion in this Bill and I say that everybody who has gold should give it away to this special fund, then I think hon. Members will be perfectly justified in arraigning that I am asking people to do something which they don't want to do, that to them it would not be returned and so your compulsion is wrong. There is absolutely no compulsion in this case, none whatsoever.

The second thing said is that this is a way in which the blackmarketeer can make his black money white. I am afraid, from the blackmarketeer's point of view I think it is completely wrong, because at today's price he will have to pay Rs. 128 for ten grammes of gold in the market. So far as the interest rates are concerned, because we have assessed it on a quantitative basis, we still stick to the international standard, which is Rs 53.58 per ton grammes. So what one has to do is this. For what is legitimately and in legal value Rs 53 he has to pay Rs 128. If he does it for some reason or other, he has paid the penalty for it more than the taxes that would be due. On the other hand, if he wants to disclose his income, we have the scheme now current, which will be current up to the end of the year, which he can take advantage of at the current rates of taxation and disclose his income and pay only a quarter of the income-tax due. If supposing a man has, say, riches above the Rs 5 lakh limit, above the Rs. 5 lakh limit, say, about Rs 10 lakhs, his average rate will work out at 71 per cent and he pays about 18 per cent today, and he can use the rest 82 per cent for purposes of his business. In fact my main grouse against the industry is that they complain of lack of funds. The easiest thing for them to do is to take advantage of this new disclosure scheme. In no case will it exceed 72 or 73 per cent, probably 74. Even then they have to pay only 18½ per cent. The other money they could bring into the business, and they need not come and ask me, "Oh, you better ask the banks to give us money. Money credit is tight." So it is a perfectly easy thing for them to do, and I do not see why they should take advantage of this particular scheme. The scheme by itself is intended to get the middle or lower class of people to make a contribution and not lose in the bargain. How we could afford to pay them? At the present moment we can only upset the market value. Some hon.

Member mentioned it was Rs. 100, then it came down to Rs. 80, then to Rs. 89 and then to Rs. 83. And then, so far as the gold itself is concerned, because it is mentioned in quantitative terms, its value, according to us, the official value is only Rs. 53 or Rs. 54. Well, we might have arranged a sort of lending money on these Bonds accepting a *via media* in regard to pricing, and telling the banks, "Well, you can take a risk. You can lend them money." But essentially this scheme is intended to get money from the people who are middle and lower middle class. In fact, if I had any hopes, or the Prime Minister had any hopes, of large amounts of money coming from people who have hoarded gold to escape in paying income-tax, I think our experience in the past must tell us that that is likely to be disappointing, that hope is likely to be disappointing. But as my hon. friend here, the lady Member who spoke, mentioned, it may be necessary to extend the time. It is certainly necessary to extend the area of operations by making more people accept offers of gold. It may be necessary for us to send a mobile van. All this will not be possible unless there is a band of people interested in the country, people who volunteer to go and work in the villages and tell them, "Yes, if you have two hundred rupees worth of jewellery, don't give it; if you have anything more, give half of it, and then you will get it back in fifteen years if you want it as gold". A lot of work will have to be done. I quite agree. There is no use passing a Bill of this nature without trying to rope in popular interest.

I do not know what is the amount of gold in this country. Any figure is mentioned, from Rs. 4,000 crores to Rs. 2,000 crores, or a thousand crores as capital and a thousand crores as jewels, or sometimes two thousand crores as jewels. It may be anything. That is why I have not fixed any target. I shall be quite content if I get money from the middle and

lower class people, some portion of what they have. If the movement gathers momentum the aggregate will be quite respectable. It may be 50 crores or a hundred crores or two hundred crores. Of course, I would certainly tell the State Governments which are cooperating, not to put in any coercion, not to put in any pressure. And we are going to return it, of course, because our intention is to keep it as gold, keep it as gold which will help us to use up the currency that we have. And if we are going to keep it as gold we can certainly return it at the proper time and it is possible. I do not see why we should go back on our word.

The hon. Member, Shri Rajendra Pratap Sinha, mentioned that we have committed a lot of mistakes. We have. We have probably blundered in a number of things. We could have done better in many things. But one thing that this Government has in the international field is a reputation that it honours its obligations. In fact, Madam, when I was Finance Minister on a previous time I had a very difficult task of having to pay a debt in silver incurred by the previous Government, to the American Government, and in silver I had to pay it. I could have said, "No. It has nothing to do with me". And I could have found reasons, because the silver deposits were taken by the former British Government and used as currency for their use. But we did do it. We converted our quarter rupee silver coins into silver and gave it to them. And then we found that it was going to take a long process and so they accepted the quarter rupee silver coins for their silver content and the whole thing was shipped from here. Of course, I do not think the Americans needed it. We could have probably gone and asked them, and that was the time when the Americans gave us no aid, and, that was in 1956-57. But we gave it. So in fact, in spite of our troubles when somebody comes and tells me, "Why do you allow the repatriation of profits? Why

[Shri T. T. Krishnamachari.]
do you allow repatriation of dividends? Why do you allow the repatriation of capital? Why don't you take away all the foreign companies?" As some hon. Member suggested, I would say I do not think, Madam, that it would be necessary for us to do so and so far as this Government is concerned, I think they would not do it. We are standing on a certain amount of reputation which has been built up very carefully and we are not going to do damage to it. Some hon. Member may feel that others do not have trust in the Government. But we have seen no evidence of that nature yet. It may come if hon. Members will do their best to inculcate such a feeling in the minds of the people of this country. But it has not come.

I will come back to the problem. The problem essentially is to get people to make contributions so that the resources of the country would be augmented. And I think this is hard work. I do not say that I can sit here and say I have passed the Bill and tomorrow the President will give his consent to it and the day after tomorrow gold is going to roll in. Though the Bill was on the anvil, the Ordinance had been passed and the law was there. But we do see signs of a great deal of interest in the people. The only thing is how to canalise that interest so that the money that they have is paid in a form which is acceptable. We can give them document in return. Of course, I have made provision with regard to jewels. Some hon. Member suggested that jewels should not be melted. I do not think that would be any good, because once you assess the value of the gold jewels contain different types of value. That is why we have said that we give 5 per cent more where it is a case of jewels. 5 per cent more than the weight in order to compensate for the charges that have been incurred in making the jewels. And unless you convert it into gold and you get the correct assay, you will

not be able to assess the value of the gold which we do in top fineness.

Now to come back to the problem. The problem is not an easy one. I do not think the Prime Minister when he spoke on the radio about this scheme had any doubts in his mind. It needs hard work and infusion of a lot of confidence. And we see a lot of indication of that confidence. We have seen one thing that happens in this country, Madam,—I do not say it because, Madam, you are in the Chair—the patriotism of the women of this country is still untouched by any suspicion. It is there and I have no doubt that that confidence that our sisters have shown so long would not be dimmed in any way. It will continue and the response from them to this appeal would be adequate.

I am not speaking about other matters which are not directly related to this Bill, about the financial policy of the Government, the good things that we do or the wrong things that we do. I am not referring to them at all, because they have nothing to do with this Bill which is a simple one. It only relates to gold. It may be that we get some gold which the black-marketeers have bought. It may be that we get gold which is not bought by the black-marketeers. Some agriculturists may probably feel that it is worthwhile buying gold paying a higher price and keeping it, I mean those who do not go to banks. There are all kinds of people who have gold. They are not all bad people. But I say this that in relation to current market prices of gold, the temptation to take advantage of this way of tax avoidance is not very great and if people really want to sort of settle their dues and come back to what we call civic responsibility there are other ways open to them. If those ways are not good, well, criticise them by all means. But there is no point in importing an element of immorality into this Bill where it is non-existent.

Well, some four hon. Members opposed this measure. My hon. friend.

Mr. Govindan Nair, is not here. But Mr. Govinda Reddy is here. My putting a ceiling on the holding of gold was suggested. Well, it can be done and it can be done in the present enactment. But before putting a ceiling what we have done today is that under the Gold Control Order we have asked the people to declare the gold that they have. Everybody does not declare, and if we put a ceiling and say anything more is illegal, I don't think the results would be any better. Ceiling operates only where we are in a position to check and find out whether they have that gold or more. If things are hidden then I do not think it can help. If it is hidden eight feet below the ground or twelve feet below the ground it does not help. So this idea of the Government putting a check or putting a limit on many things, without it being able to know what the people hold would not help and practically any law of that nature would be infructuous. I do not say that it is wrong in itself. It may be possible provided we have the knowledge or we have the information.

Of course, Madam, some words were said about the Gold Control Order and about the sufferings of the goldsmiths. I think that I had circulated to this House, as I did for the other House, the work we had done with regard to goldsmiths. I think that the work that has been done for them is quite appreciable. We have done a lot to help them. We find that the younger people are not coming into the profession. The self-employed goldsmith has been freed from the control and we are watching that he is not harassed in any way. You might say that there is leakage. Yes, there may be. But I do not think that the Gold Control Order itself has failed. I might put the Gold Control Order upon something else, against the possibility of 25 crores or 30 crores or even 40 crores being smuggled into the country. I might not have stopped smuggling. But I do maintain that I have put a check on it, because it is not easy for those

people to go about with the gold. They have got to it surreptitiously. To that extent there has been a check and really the Enforcement Department is making itself felt. Maybe if we have about three or four fast frigates in the Arabian Sea running up and down we may be able to do even more than that and get seven or eight crores rupees worth of smuggled gold. I do maintain that the Gold Control Order, as modified by Parliament, and as is being worked today, is not inimical to the interests of the self-employed goldsmiths and there is no point in somebody mentioning the Gold Control Order in relation to this because it has really no connection whatever.

Madam, I have more or less come to the end of my speech. All the points in relation to this Bill I have tried to deal with and I would certainly repeat once again that our hopes in regard to the success of this measure are entirely based on the middle sections of society, on their patriotism, on their being able to save a part of their gold. I shall certainly not ask any of our sisters to give up all the gold that they have. If they have four bangles, let them give us two. I would not ask them for more than that and I think may be the period will have to be extended, facilities will have to be given and voluntary workers will have to help. Otherwise, I do not think we would be taking it to the home. At the present moment, this is all in the papers, either criticism or appreciation, more of criticism perhaps on paper. It has not settled down excepting in areas where there has been some popular enthusiasm. It is very difficult for people not to imagine the patriotism of the people. You go somewhere and suddenly a woman comes and takes off her gold chain and gives it to the National Defence Fund, does not even want a bond. I would much rather they kept this document. This is something for them and they can make use of it. I do not think they should make this sac-

[Shri T. T. Krishnamachari.]
 rifice because they are the least able to make this sacrifice. I would like them to have this document today and get something for it if need be, in an emergency and get the money back to be handed over to the children. We base our hopes on the middle groups and we do not want to make them lose money. That is why this scheme has been evolved, may be not quite so clearly but still with the intention that the money would be given back to them and, in the meantime, they could perhaps raise some money on the document that is given to them.

THE DEPUTY CHAIRMAN: The question is:

"That the Bill further to amend the income-tax Act, 1961, the Estate Duty Act, 1953, the Wealth-tax Act, 1957, the Gift-tax Act, 1958 and to provide for exemption from tax in certain cases of undisclosed income invested in National Defence Gold Bonds, 1980, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

THE DEPUTY CHAIRMAN: We shall now take up the clause by clause consideration of the Bill.

Clauses 2 to 9 were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SHRI T. T. KRISHNAMACHARI:
 Madam, I move:

"That the Bill be returned."

The question was proposed.

श्री विमलकुमार मन्नालालजी चौरङ्गिया :
 उपसभापति महोदया, यह बिल पारित होने की स्थिति में आ रहा है, परन्तु जितनी यहाँ पर बहस का गई उसमें यह आरोप लगाए गए हैं कि हमारा सरकार, उन लोगों को जो कल

तक कानून की दृष्टि में चोर गिने जाते थे, चोर ही नहीं बल्कि जो बिना हिसाब के धन से सोना एकत्रित करते थे वे डाकू तक गिने जाते रहे, उन लोगों के सब अपराध क्षमा किये जा सकें, इसके लिये उन्हें अपना धन बिलकुल नियमित रूप से सोने के बान्ड्स में लगाने की छूट दी जा रही है। मुझे यह समझ में नहीं आता कि पहले हमारा सरकार ने कानून बनाया और उस समय भी लोगों को आकर्षित किया, कुछ लोगों ने दिया फिर दूसरी बार कानून में संशोधन किया फिर कुछ लोगों ने दिया, तो जो पहले लोगों ने ईमानदारी बरता क्या वे सजा के पात्र हैं हमारी सरकार के निगाह में? क्या उनका यह अधिकार नहीं था कि वे सोने के बदले में सोना लेने का हक रखते और जो चीज अन्तर्राष्ट्रीय भाव से उनसे खरीदी गई उसको वे अन्तर्राष्ट्रीय भाव से फिर सोने के रूप में प्राप्त करते? पर जो ईमानदारी का प्रदर्शन करे उनको दंडित करना और जो बेईमानी करते हैं उनको रिलीफ देना यह कहाँ का तरीका है, कौन सा न्याय है, यह समझ में नहीं आता।

उपसभापति महोदया, हमारे मंत्री जो ने जो अभी भाषण दिया उसमें बताया कि मध्यमवर्गीय लोग इसमें सोना देंगे और उनको आकर्षण मिलेगा। मैं जरा उनसे इस बात में इसलिये मतभेद करता हूँ कि मध्यमवर्गीय लोगों को न तो स्टेट ड्यूटी की चिंता न वेल्थ टैक्स का चिंता, न एक्सेस प्रॉफिट टैक्स का चिंता, उनको इन किसी भी टैक्स का चिंता नहीं है। अगर केवल आपका लक्ष्य मध्यमवर्गीय लोगों को लाभ देने का है और मध्यमवर्गीय लोगों से ही सोना प्राप्त करना है तो इतना अधिक कानून में अपवाद रखने की कोई आवश्यकता नहीं थी, केवल मध्यमवर्गीय . . .

श्री राजेन्द्र प्रताप सिंह : केवल नहीं, ज्यादातर।

श्री बिमल कुमार मग्नलालजी चौरडिया
और ज्यादातर भी वे लोग नहीं देने वाले हैं, ज्यादातर उनके पास केवल इन्कम टैक्स के सिवाय, आय-कर के सिवाय, और किसी से मुक्ति की आवश्यकता नहीं थी। यह बिल्कुल स्पष्ट है कि जो बड़े बड़े पूजीपति हैं उन्होंने करोड़ों और लाखों का धन कमा कर सोने के रूप में अपने घर में रख रखा है जिसको निकालने में हमारी सरकार का पहला कानून असफल रहा। उन लोगों को गिफ्ट टैक्स में, वेल्थ टैक्स में, इस्टेट ड्यूटी में आकर्षण देने के लिये जितनी कानून से मुक्ति दी जा सकती है उतनी ही जा रही है और इस कानून की शरण में आ जाने से तो उनका सारा पाप पुण्य में परिवर्तित हो जाएगा। सरकार किसी तरह से ऐसा कानून बना कर, उसको सत्य, अहिंसा और न्याय का चोला पहन कर, लोगों को गलत रास्ते पर लेजाकर गलत कानून के आधार पर लेजाकर, उनके पाप को पुण्य में परिवर्तित करना चाहती है।

जिस कार्य के लिये कारण दिया जाता है कि हमें सोना चाहिये उसमें दो मत नहीं हो सकते। पर उसके दो पक्ष होते हैं। सोना आप प्राप्त कीजिए, उसका सदुपयोग भी कीजिए और उसे ठीक रास्ते पर लगाइये। हमारे भाई गनी साहब सरकार से कहते रहते हैं कि फारेन एक्सचेंज ऐसे लोगों को दिया जाता है जो उसका दुरुपयोग करते हैं। उससे जो सामग्री प्राप्त करनी चाहिये राष्ट्र के निर्माण में वह नहीं कर पाते उस पर हमारी सरकार नियंत्रण कर नहीं पाती। इतना ही नहीं, फारेन एक्सचेंज के लिये जो रुपया लिया जाता है उसका भ्रष्टाचार रूप से दुरुपयोग किया जाता है। इसी प्रकार परसों एप्रोप्रिएशन बिल पर चर्चा की गई कि हमारी सरकार द्वारा कई कारपोरेशन्स खोले जाते हैं जो करोड़ों और लाखों का घाटा उठाते हैं। आप पैसा लीजिए राष्ट्र की रक्षा के लिये, राष्ट्र के निर्माण के लिये, लोग देने को ना नहीं करते मगर इस तरह जो बड़े बड़े मगरमच्छ

खा खा कर समाप्त करते हैं यह अच्छी बात नहीं है और प्रार्थना है कि मंत्री जी इस पर विचार करें।

जहां तक सोना प्राप्त करने का सवाल है, सरकार इस तरह से जो नए नए नियम बनाकर प्राप्त करती है, यह तरीका ठीक नहीं। 14 कैरट का सोना होना, डिक्लेरेशन देना, फिर अगर सोने के गहने हो तो उनको पुनः गहने बनाने की छूट देना; ये सारी बातें ऐसी हैं कि अपना डिपार्टमेन्ट जो है गोल्ड कंट्रोल विभाग, वह बराबर कायम रहे और वह नये नये रास्ते ढूंढता जाये। वैसे ही एक किस्सा है, जैसे एक आदमी को तालाब का मगर मारने के लिये नियुक्त किया गया, यह कह कर कि मगर तकलीफ देता है उसको मार डालो। मगर वह आदमी मगर को मारता नहीं, वह कहता है कि अगर मैं मगर को मार डालू तो नौकरी से चला जाता हूं। इसी तरह से यह विभाग बना हुआ है। अगर सरकार चाहती है कि सोना प्राप्त करे, तो एक कानून बना दे कि एक व्यक्ति के पास चाहे वह सोने के गहने के रूप में हो या किसी भी रूप में हों, इतनी लिमिट से अधिक सोना रखने का अधिकार नहीं होगा और न्याय की दृष्टि से आवश्यक है कि उस सोने से अधिक जिसके पास भी सोना है, वह सरकार ले ले और कह दे 20 साल के या 15 साल के हमारे बान्ड्स होंगे और उतने साल के बाद आपको इतना सोना, दो परसेन्ट, तीन परसेन्ट, एक परसेन्ट, आधा परसेन्ट जो भी आपको ब्याज देना हो, उस हिसाब से दिया जायेगा। ज्यादा नाटक करने की आवश्यकता नहीं। मैं इसको नाटक इसलिये कहता हूं कि पहले 14 कैरट का नाटक शुरू किया और नाटक शुरू करने के बाद शुरुवात कर दी गहने बनवा सकते हो, और मंत्री महोदय अच्छी तरह से जानते हैं कि उत्तर से दक्षिण तक नए सोने के गहने, नए रूप में और 22 कैरट के, अच्छी तरह से बन रहे हैं। क्यों लोगों को झूठ बोलना सिखाते हैं, लोगों को ईमानदारी

[श्री बिसलकुमार मन्नालालजी चौरडिया]

का चोला पहनाने का प्रयत्न करते हैं ? अभी भी मैं माननीय मंत्री जी से प्रार्थना करूंगा कि यह बिल वापस ले लें और एक नया बिल इस रूप में लाएं कि जिस आदमी के पास अमुक सीमा से अधिक का सोना होगा वह सोना सरकार को देवे और सरकार सोने के बदले में इतने सालों बाद सोना देगी और दूसरे पक्ष की तरफ भी हमारी सरकार देखे कि इस सोने का कहीं दुरुपयोग न हो। ये दोनों बातें ध्यान में रखकर काम करेंगे, तो ठीक है। अगर ऐसा नहीं करेंगे तो सफलता नहीं मिलेगी और यह सोना देने वाले मिडलमैन नहीं होंगे, हमारे पूजीपति लोग जरूर होंगे और जितने आपके कर हैं उनसे उनको जो मुक्ति मिल सकती है उसको वे जरूर प्राप्त करेंगे। मगर मिडलमैन के पास सोना है नहीं। मिडलमैन इनकम टैक्स से मुक्ति चाहता है, मिडलमैन पहले ही कानून के शिकंजे से इतना दबा हुआ है कि उसको मुक्ति नहीं है, मगर जो आपकी बड़े बड़े लोगों को राहत देने की स्थिति है—इसमें बुरा मानने की आवश्यकता नहीं है—वह इसलिये है कि चुनाव नजदीक आ रहे हैं। इसलिए चुनाव के मौके पर इन लोगों से चन्दा लेने के लिए इस तरह की रियायत सरकार देने जा रही है। सरकार समझती है कि अगर हम इस तरह की रियायत इन लोगों को नहीं देंगे तो चुनाव में कांग्रेस पार्टी जीत नहीं सकती है, उसको चन्दा नहीं मिल सकता है। इसीलिए हमारी सरकार ने इस तरह का नया ढंग अपनाया है जिससे कि अपना काम चलता रहे। इसलिए मैं फिर सरकार से निवेदन करना चाहता हूँ कि इस बिल को वापस ले लिया जाये और इसमें जो 14 कैरट, 12 कैरट का झगड़ा रखा है उसको हटा दिया जाना चाहिये; क्योंकि सरकार कहती है कि हमने स्वर्णकारों को बसाने के लिए करोड़ों रुपया खर्च कर दिया है मगर उनकी अवस्था वैसी की वैसी ही है। इसलिए मैं फिर अंत में प्रार्थना करूंगा कि

सरकार इस बिल को वापस लेने का कष्ट करे।

شری عبدالغنی (پنجاب) : مہدم

ڈپٹی چیئرمین — مجھے کوئی تکلیف نہیں ہے کہ سرکار جتنے قانون چاہے اس قسم کے بنائے جس سے کہ دیس مضبوط ہو۔ جہاں تک سونے کو لہنے کا سوال ہے اس کے بارے میں مہدم، یہ کہا جاتا ہے کہ اس سے ہمیں فارن ایکسچینج زیادہ ملے گا اور فارن ایکسچینج اس نئے دیا جاتا ہے تاکہ ہم اپنی ڈیفنس کی ضروریات پر اور جو ڈولپمنٹ کے کام ہو رہے ہیں اس پر خرچ کر سکیں۔ لیکن آج بہت خوش قسمتی سے ہمارے فائنل سسٹم صاحب ابھی دوس اور ڈکوسلواکھ سے آئے ہیں اور بہت اچھے ٹرم لے کر آئے ہیں تو اس میں ایسا کیوں نہ کہا جائے کہ ہم جو کروڑوں روپیہ کسی شوگر مل کے لئے سبسڈی میں دیتے ہیں کسی اور جگہ دیتے ہیں یا ہم کسی بھانہ سے کسی کو ایکسپورٹ کرنے کے لئے اجازت دیتے ہیں۔ یا بدلے میں امپورٹ کی اجازت دیتے ہیں۔ ان سب باتوں میں ہم اپنی پالیسیوں کو بدلہیں۔

آج ہم اپنے دیس میں اہم ہم تیار کر سکتے ہیں ہمارے ملک میں

بہترین قسم کے ٹیلک تیار ہو سکتے
ہوں ہوائی جہاز تیار ہو سکتے ہوں
ہماری توجہ اس طرف کہوں
نہیں لگتی اور کہوں ہم اس طرح
کی بات کر رہے ہیں - سونے پر
پابندی لگانے کی بات جس کی
وجہ سے اسمگلنگ بڑھتا ہے چور
بازاری بڑھتی ہے اور اس طرح کی
کئی خرابیاں بڑھتی ہوں اور جن
کو ہم جائز مانتے ہیں - اس طرح
کے قانون بنانے سے ہمارے موزل پر
اثر پڑتا ہے اور اس سے کوئی زیادہ لاہ
ہونے والا نہیں ہے -

دوسری بات جو ابھی چوتھیا جی
نے کہی میں بھی اپنے فائنلنس منسٹر
صاحب سے کہنا چاہتا ہوں کہ اگر
آپ کو روپیہ چاہئے تو آپ ویلٹ
ٹیکس کو دس گنا زیادہ کر دیجئے
تو روپیہ ہی روپیہ آ جائے گا - انکم
ٹیکس کے بارے میں میں کئی بار
کہہ چکا ہوں کہ ایک ہی طرح کی
ملیں ہیں ایک ہی ان کی
کپیسیٹی ہے ایک ہی شہر میں
مل قائم ہوں لیکن پھر بھی ان
میں اتنا انتر ہے کہ لاکھوں روپیہ کا
کوئی ٹیکس زیادہ دیتا ہے اور کوئی
کم دیتا ہے - انکم ٹیکس میں اتنا
جو فرق ہے وہ میں ایڈمنسٹریشن
کی کامیابی یا ناکامیابی مانتا ہوں -
اس طرح سے لاکھوں روپیہ کا انتر ہو
جائے تو اس طرح کی بات کہیں
ہوتی ہے - میں یہ بھی عرض کرنا

چاہتا ہوں آج سرکار نہیں دیکھتی
کہ وہ ایک طرف تو فارن ایکسچینج
بچانا چاہتی ہے اور دوسری طرف
ہمارے بہت سے لوگ کلہریٹس
سارٹیفیکٹس نہیں دیتے ہیں -
ہمارے کامرس منسٹر صاحب نے
اپنی تھنائی سے کہا کہ کیا ہوا جب
ہم کروڑوں روپیہ کا بزنس کرتے ہیں
تو اس میں اگر پانچ سات کروڑ ایسے
چلا بھی جائے جس میں ہلک کا
کلہریٹس سارٹیفیکٹ نہ دیا ہو یا
کوئی اس طرح کی بھول ہو گئی ہے
تو اس میں کونسی بڑی بات ہو
گئی - تو میں یہ کہتا ہوں کہ شاید
کوئی اور دیس ہوتا تو اس دیس
میں ایسے منسٹروں کو ایک مذمت
کے لئے بھی برداشت نہ کیا جاتا لیکن
یہ دیس ہے جس میں فارن
ایکسچینج کے نام پر زبرد اتروائے گئے
ہیں - ہم بھی اپیل کرتے ہیں
جسے سرکار اپیل کرتی ہے اور ہمارے
دیس کے بھائی بھیلیں بالہاں قندھان اور
چوڑھان دیتی ہیں تاکہ فارن ایکسچینج
کے کام آئے لیکن فارن ایکسچینج
کس طرح سے ضائع ہوتا ہے اس کی
میں ایک مثال دیتا ہوں جس کا
جواب اب تک منسٹر صاحب نہیں
دے سکے ہیں - ہماری سرکار کی اور
سے ۵۰ لاکھ کی نانٹاون ٹاپس بدلنے کے
لئے فارن ایکسچینج کا امپورٹ دیا
جاتا ہے اور یہ اس لئے دیا جاتا ہے کہ یہ

[شری عہد الغلی]

تمام چھڑ ڈیفنس پریز کے کام میں آئیگا۔
لیکن ۵۰ پیسے کا سال بھی ڈیفنس
کے کام میں نہیں آتا ہے۔ پھر بھی
یہ منسٹر صاحب کہتے ہیں کہ
جو بل ہم لائے ہیں تم کو منظور
کرنا ہوگا جو یہاں پر بیٹھ ہوئے
ہیں ان کو منظور کرنا ہوگا۔ لیکن
میں ان سے عرض کرنا چاہتا ہوں
ہم اس بل کو منظور کریں گے اور
اس لئے منظور کریں گے کہوں کہ
وہ اس میں دیہی کا نام لہتے ہیں
اور کہتے ہیں کہ اس میں دیہی
کی پہلائی ہے اور اسی لئے ہم اس
کا وردہ نہیں کریں گے لیکن میں
یہ کہتا چاہتا ہوں کہ یہ سرکار جو
گاندھی جی کے اصولوں کو ماننے والی
ہے وہ اس طرح سے کروڑوں روپیہ
فان ایکسچینج کا ضائع نہ کرے۔
ہمارے لال بہادر شاستری جب وہ
ریلوے منسٹر تھے اور ریلوے کا ایک
ایکسچینج ہو گیا تھا تو انہوں نے
ریزائن کر دیا تھا اس وقت لوگوں
نے کہا آپ کہیں ریزائن کر رہے ہیں
آپ نہ قرانیور ہیں نہ آپ گارڈ ہیں
اور نہ ہی آپ کے ہاتھ میں اسٹیشن
کا انتظام ہے۔ تو انہوں نے کہا—
نہیں۔ چونکہ میں ریلوے کا منسٹر
ہوں اس لئے میں ایک مثال قائم
کرنا چاہتا ہوں۔ تو میں یہ کہتا
چاہتا ہوں کہ جو لال بہادر شاستری

پہلے تھے وہ کیا آج لال بہادر شاستری
نہیں رہے۔ میں اس بات کو اور
زیادہ کہنے سے ادا تاً بچتا چاہتا
ہوں کہونکہ ہم نے اے فائلڈس منسٹر
صاحب کے خلاف ایک مہمورنڈم دیا
ہے اور اسی وجہ سے میں ان تمام
بالوں کو یہاں لانا نہیں چاہتا ہوں
لیکن میں یہ جاننا چاہتا ہوں کہ
اگر یہ سب فارن ایکسچینج کے
نام پر یہ بل لایا جاتا ہے تو یہ
کہا اور بلوں سے بہتر ہے۔ آخر ہم
نے زمین پر سہیلنگ کی کہ
۳۰ ایکٹر سے زیادہ زمین کوئی نہیں
دکھے گا لیکن گارڈنگ کے نام پر
فارمنگ کے نام پر وہ سائل فارم کے
نام پر ہزاروں ایکڑ زمین جو سرکار
کو سلام کرنے والے ہیں، الیکھن میں
مدد دینے والے ہیں انہوں نے اس
طرح سے ہزاروں ایکڑ کے فارم بنا لئے
ہیں اور کوئی ان کی طرف دیکھنے
والا نہیں ہے۔ اس لئے میں عرض
کرنا چاہتا ہوں کہ یہ کہیں سارے
دیہی کے لوگوں سے اپیل کرتے ہیں
کہ ۱۰ تولے سے زیادہ کوئی نہ دکھے
۲۰ تولے سے زیادہ کوئی نہ دکھے اور
اس طرح سے ۳۰ تولے کی لہستہ
کو دیں جس طرح سے انہوں نے
زمین کے لئے تیس ایکٹر کی سہیلنگ
دکھدی تھی۔ اگر وہ اس طرح کا
کوئی قانون بنائیں گے تب بھی
ہم ان کا ساتھ دیں گے لیکن مقدم

تہی چہرہ میں؟ یہ اس لئے نہیں ہوتا کہ اس سرکار نے لاکھوں اور کروڑوں روپیہ برہان کر دیا ہے اور اس کے بارے میں کوئی پوچھنے والا نہیں ہے۔ اگر فائلنس منسٹر صاحب اس سے بھی اگلا بل لائیں تو ہم تائید کریں گے لیکن ہماری درخواست یہ ہے کہ یہ جو روپیہ فارن ایکسچینج کے نام پر لیا جا رہا ہے اس کو نئی نئی کاریں خریدنے میں نہ لگایا جائے کیونکہ سرکار ایک طرف تو کہتی ہے کہ یہ دیس دُوب رہا ہے اور دیسی میں مصیبت آ رہی ہے اور اگر وہ اس طرح کی چیزوں کو خریدنے میں یہ روپیہ صرف کرے گی تو وہ دیس کو دھوکا دے گی۔ لیکن میں یہ عرض کرنا چاہتا ہوں کہ اس سے بھی زیادہ جو مصیبت ہمارے ملک کے سامنے ہے وہ ان کی سمسیا کے بارے میں ہے۔ آپ یہ گولڈ کنٹرول تو کرتے رہیں اس کے بارے میں ہمیں کوئی اعتراض نہیں وہ کنٹرول ہوا کرے لیکن آپ ایلی منسٹری پر کنٹرول کریں؛ ایلی منسٹروں پر کنٹرول کریں کیونکہ جو بے ایمان ایک مذمت میں ایک ایک کروڑ روپیہ ایک پارٹی کو فائدہ دلا دیتے ہیں منویلی دے کر ان کے بارے میں وہ سوچ وچار کریں اگر وہ اس طرح کی بات کریں گے

تو ہم ان کی ہر طرح سے آواز میں آواز ملائیں گے۔ نہیں تو ہر ممکن آواز خلاف اٹھے گی چاہے اس کی کوئی قیمت ہو یا نہ ہو۔

†[**श्री अन्तुल गनी** (पंजाब) : मेडम डिप्टी चेयरमैन, मुझे कोई तकलीफ नहीं है कि सरकार जितने कानून चाहे इस किस्म के बनाए जिससे कि देश मजबूत हो। जहां तक सोने को लेने का सवाल है उसके बारे में मेडम, यह कहा जाता है कि इससे हमें फारेन एक्सचेंज ज्यादा मिलेगा। और फारेन एक्सचेंज इस लिए दिया जाता है ताकि हम अपनी डिफेंस की जरूरियात पर और जो डिवेलपमेंट के काम हो रहे हैं उस पर खर्च कर सकें। लेकिन आज बहुत खुश किस्मती से हमारे फाइनांस मिनिस्टर साहब अभी रूस और जेकोस्लोविया से आए हैं और बहुत अच्छे टर्म ले कर आए हैं तो इस में ऐसा क्यों न किया जाए कि हम जो करोड़ों रुपया किसी शुगर मिल के लिए सबसिडी में देते हैं किसी और जगह देते हैं या हम किसी बहाने से किसी को एक्सपोर्ट करने के लिए इजाजत देते हैं या बदलने में इम्पोर्ट की इजाजत देते हैं, इन सब बातों में हम अपनी पालीसियों को बदलें।

आज हम अपने देश में गटम बम तैयार कर सकते हैं, हमारे मुल्क में बेहतरीन किस्म के टेक तैयार हो सकते हैं हवाई जहाज तैयार हो सकते हैं। हमारी तवज्जो इस तरफ क्यों नहीं लगती और क्यों हम इस तरह की बात कर रहे हैं—मोने पर पाबन्दी लगाने की बात जिसकी वजह से स्मगलिंग बढ़ता है चोर बाजारी बढ़ती है और इस तरह की कई खराबियां बढ़ती हैं और जिन को हम जायज मानते हैं। इस तरह के कानून बनाने से हमारे मोगल पर असर पड़ता है और इस से कोई ज्यादा लाभ होने वाला नहीं है।

[श्री अब्दुल गनी]

दूसरी बात जो अर्भा चौरङ्गिया जी ने कही मैं भी अपने फाइनांस मिनिस्टर साहब से कहना चाहता हूँ कि अगर आप को रुपया चाहिए तो आप वैल्यू टेक्स को दस गुना ज्यादा कर दीजिए तो रुपया ही रुपया आ जाएगा। इन्कम टेक्स के बारे में मैं कई बार कह चुका हूँ कि एक ही तरह का मिले है, एक ही उनकी कैपासिटी है एक ही शहर में मिल कायम है लेकिन फिर भी उन में इतना अन्तर है कि लाखों रुपये का कोई टैक्स ज्यादा देता है और कोई कम देता है। इन्कम टैक्स में इतना जो फर्क है वह मैं एडमिनिस्ट्रेशन की कामयाबी या नाकामयाबी मानता हूँ। इस तरह से लाखों रुपये का अन्तर हो जाए तो इस तरह की बात कथो होती है। मैं यह भी अर्ज करना चाहता हूँ आज सरकार नहीं देखती कि वह एक तरफ तो फारेन एक्सचेंज बचाना चाहती है और दूसरी तरफ हमारे बहुत से लोग क्लोयर्स सर्टिफिकेट्स नहीं देते हैं। हमारे कामर्स मिनिस्टर साहब ने बड़ी ठिठ्ठी से कहा कि क्या हुआ जब हम करोड़ों रुपये का बिजनेस करते हैं तो उसमें अगर पाच सात करोड़ ऐसे चला भी जाए जिस में बैंक का क्लोयर्स सर्टिफिकेट न दिया हो या कोई इस तरह की भूल हो गई है तो इसमें कौनसी बड़ी बात हो गई। तो मैं यह कहता हूँ कि शायद कोई और देश होता तो उस देश में ऐसे मिनिस्टर्स को एक मिनट के लिए भी बर्दाश्त न किया जाता लेकिन यह देश है जिस में फारेन एक्सचेंज के नाम पर जेवर उतरवाए गये हैं। हम भी अपील करते हैं जैसे सरकार अपील करती है और हमारे देश के भाई बहने वालिया डंडिया और चूड़िया देतो हैं। ताकि फारेन एक्सचेंज के काम आए। लेकिन फारेन एक्सचेंज का किम तरह से जाया होता है इसकी मैं एक मिसाल देना चाहता हूँ जिसका जवाब अब तक मिनिस्टर साहब नहीं दे सके हैं। हमारा सरकार को और से 50 लाख का नाइलोन टाप्स बदलने के लिए फारेन एक्सचेंज का

इम्पोर्ट दिया जाता है और यह इस लिए दिया जाता है कि यह तमाम चीज़ डिफेंस परपज के काम में आया लेकिन 50 पैसे का माल भी डिफेंस के काम में नहीं आता है। फिर भी यह मिनिस्टर साहब कहते हैं कि जो बिल हम लाए है तुम को मंजूर करना होगा, जो यहाँ बैठे हुए हैं उनको मंजूर करना होगा। लेकिन मैं उनसे अर्ज करना चाहता हूँ हम इस बिल को मंजूर करेंगे और इस लिए मंजूर करेंगे क्योंकि वह इसमें देश का नाम लेते हैं और कहते हैं कि इसमें देश की भलाई है और इसी लिए हम इसका विरोध नहीं करेंगे लेकिन मैं यह कहना चाहता हूँ कि यह सरकार जो गांधी जी के असूलों को मानने वाली है वह इस तरह से करोड़ों रुपया फारेन एक्सचेंज का जाया न करे। हमारे लाल बहादुर शास्त्री जब वह रेलवे मिनिस्टर थे और रेलवे का एक एक्सिडेंट हो गया था तो उन्होंने रिजाइन कर दिया था। उस वक्त लोगो ने कहा आप क्यों रिजाइन कर रहे हैं, आप न ड्राइवर हैं न आप गार्ड हैं और न ही आप के हाथ में स्टेशन का इन्तजाम है। उन्होंने कहा—नहीं, चूँकि मैं रेलवे का मिनिस्टर हूँ इस लिए मैं एक मिसाल कायम करना चाहता हूँ। तो मैं यह कहना चाहता हूँ कि जो लाल बहादुर शास्त्री पहले थे वह क्या आज लाल बहादुर शास्त्री नहीं रहे। मैं इस बात को और ज्यादा कहने से इरादतन बचना चाहता हूँ क्योंकि हमने अपने फाइनांस मिनिस्टर साहब के खिलाफ एक मेमोरेण्डम दिया है और इसी वजह से मैं इल तमाम बातों को यहाँ लाना नहीं चाहता हूँ। लेकिन मैं यह जानना चाहता हूँ कि अगर यह सब फारेन एक्सचेंज के नाम पर यह बिल लाया जाता है तो यह क्या और बिलो से बेहतर है? आखिर हमने जमान पर सीलिंग का कि 30 एकड़ से ज्यादा जमीन कोई नहीं रखेगा लेकिन गार्डनिंग के नाम पर फार्मिंग के नाम पर, माडल फार्म के नाम पर हजारों एकड़ जमान जो सरकार को सलाम करने वाले हैं इलेक्शन में मदद देने वाले हैं उन्होंने इस

तरह से हज़ारों एकड़ के फार्म बना लिए हैं। और कोई उनकी तरफ देखने वाला नहीं है। इस लिए मैं अर्ज करना चाहता हूँ कि यह कहीं सारे देश के लोगों से अपील करते हैं कि 10 तोले से ज्यादा कोई न रखे, 20 तोले से ज्यादा कोई न रखे और इस तरह से 30 तोले की लिमिट कर दे जिस तरह से उन्होंने जमोन के लिए तीस एकड़ की सालिग रख दी थी। अगर वह इस तरह का कोई कानून बनाएंगे तब भी हम उनका साथ देंगे लेकिन मेडम डिप्टी चैयरमैन, यह इस लिए नहीं होता कि इस सरकार ने लाखों और करोड़ों रुपया बर्बाद कर दिया है और उसके बारे में कोई पूछने वाला नहीं है। अगर फाइनांस मिनिस्टर साहब इससे भी 10 गुना बिल लाए तो हम ताइद करेंगे लेकिन हमारा दरखवास्त यह है कि यह जो रुपया फारेन एक्स्चेंज के नाम पर लिया जा रहा है, उसको नई नई कारें खरीदने में न लगाया जाए क्योंकि सरकार एक तरफ तो कहती है कि यह देश डूब रहा है और देश में मुसाबत आ रही है और अगर वह इस तरह का चांजों को खरीदने में यह रुपया सर्फ करेगी, तो वह देश को धोका देगी। लेकिन मैं यह अर्ज करना चाहता हूँ कि इससे भी ज्यादा जो मुसाबत हमारे मुल्क के सामने है वह अन्न की समस्या के बारे में है। आप यह गोल्ट कन्ट्रोल तो करते रहे। इसके बारे में हमें कोई एतराज नहीं, वह कन्ट्रोल हुआ करे लेकिन आप अपनी मिनिस्ट्री पर कन्ट्रोल करे, अपने मिस्टिरो पर कन्ट्रोल करे क्योंकि जो बेईमान एक मिन्ट में एक एक करोड़ रुपया एक पार्टी को फायदा दिला देते हैं मानोपोली दे कर उनके बारे में वह सोच विचार करे। अगर वह इस तरह का बात करेंगे तो हम उनकी हर तरहसे उनका आवाज में आवाज मिलाएंगे। नहीं तो हर मुमकिन आवाज खिलाफ उठेगी चाहे उसको कोई कोमत हो या न हो।]

SHRI MULKA GOVINDA REDDY:
 Madam Deputy Chairman, I do not

want to take much of your time. The Finance Minister in his statement has tried to create a very erroneous impression on us and on the outside public. He said that the price of gold in the international market is very much lower than what it is obtaining in India today. That is true; we have no quarrel with that but here any person who subscribes to the gold bond after fifteen years will be paid in the form of gold equivalent to the amount of gold that he has deposited with the Government by way of these gold bonds. So the question of price does not arise. Today the price of gold is abnormally high and that is because the value of the rupee is declining. Therefore the price of gold is so high in India. And those people who have hoarded money, who have evaded taxes, who have hoarded gold and who have converted black money into gold will invest in these gold bonds because they are sure that after fifteen years they will be getting back the gold. If they are to take to other—laws that are now there for disclosing undisclosed income they will be the losers but if they take to the old bonds they will be the gainers because they are going to get back the gold that they will be investing today. And because of the serious food crisis that is now developing in the country the people are not in a position to pay high prices and so they have—no money also. So, they are prepared to part with their gold. These black-marketeters and hoarders of gold, who have undisclosed and unaccounted money, will go to the rural parts and buy the gold by paying much more than what is the prevailing price today and thereby deprive the peasants and the middle-class of this. Therefore, this is a Bill which is going to profit the anti-social elements, who have all along evaded the taxes and who have tried to subvert the economy of the country. They are exempt from the operation of the Gold Control Act. They are exempt from the operation of the Income-tax Act, the Wealth-tax Act, the Capital Gains Tax Act, the Gift-tax Act and the

[Shri Mulka Govinda Reddy.]

Estate Duty Act. The Minister has said that he wants to appeal to the ordinary man and the middle class to subscribe to the gold bond. We are one with him. We want the common man to subscribe to the gold bond, but the very purpose of bringing forward this measure, giving exemption to the blackmarketeers, to hoarders and holders of black money, is defeated. This Bill abounds with immorality and, therefore, it is a pernicious legislation. We should oppose it with all our might.

SHRI T. T. KRISHNAMACHARI: Madam, the hon. Members who spoke did not bring in any new points. They spoke in much the same tenor, as the speakers did up till now. The last hon. Member probably has a justifiable complaint in his speech. I should have recognised that the hon. Member would not perhaps have understood me properly. His whole speech comes from the fact that he could not understand me properly. I said that this is not any attraction, in the sense it otherwise has, to a person who has been anti-social. The mere fact that he is going to get money after fifteen years hence does not add to the attraction. In fact, if a person has hidden money and uses it for various purposes of business and if that money can be immobilised for fifteen years, I think we have done something about it. That money has been withdrawn from circulation and, therefore, it could not do any mischief. If actually the things that he mentioned or rather the circumstances that he mentioned happen, I do not think there is anything about which we need be ashamed. I think if we can immobilise the person who is anti-social for fifteen years, it is a good thing. Anyway, I shall not labour the point. I do not think that it is necessary for me to go into the matters which the hon. Member has mentioned. They have no relevance to the Bill, or for that matter anything which the Government does.

THE DEPUTY CHAIRMAN: The question is:

"That the Bill be returned."

The motion was adopted.

THE JUDGES (INQUIRY) BILL, 1964.

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI JAISUKHLAL HATHI): Madam Deputy Chairman, I beg to move the following motion:

"That this House concurs in the recommendation of the Lok Sabha that the Rajya Sabha do join in the Joint Committee of the Houses on the Bill to regulate the procedure for the investigation and proof of the misbehaviour or incapacity of a Judge of the Supreme Court or of a High Court and for the presentation of an address by Parliament to the President, and resolves that the following members of the Rajya Sabha, be nominated to serve on the said Joint Committee:—

1. Shrimati C. Ammanna Raja.
2. Shri Jaisukhlal Hathi.
3. Shri Akbar Ali Khan.
4. Shri R. S. Khandekar.
5. Shri Debabrata Mookerji.
6. Shri G. S. Pathak.
7. Prof. M. Ruthnaswamy.
8. Shri P. N. Sapru.
9. Shri D. L. Sen Gupta; and
10. Shri K. K. Shah."

For the last fifteen years we have had no law on the subject. In article 124 of Constitution it is provided:—

"(4) A judge of the Supreme Court shall not be removed from his office except by an order of the President passed after an address by each House of Parliament supported by a majority of the total membership of that House and by a majority of not less than two-thirds of the members of that House present and voting has been presented to the President in the same session for such removal on the ground of proved misbehaviour or incapacity".