

[Shri N. Venkateswara Rao.] agriculturists; its function is to finance the banking and co-operative organisations that are dealing with this problem.

THE DEPUTY CHAIRMAN: Will you take more time?

SHRI N. VENKATESWARA RAO: Just a moment, Madam, I will finish in a minute.

Then, Madam, as was pointed out by the speaker that preceded me, I think it may be worthwhile to be more specific in the definition of "agriculture" because I also feel that sufficient credit facilities should be provided for tea and coffee plantations. Of course, I know that most of the tea and coffee plantations in the country today. . .

THE DEPUTY CHAIRMAN: Mr. Rao, you can continue some other time. 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.

MOTION RE. SITUATION ARISING OUT OF GOLD CONTROL

THE DEPUTY CHAIRMAN: Mr. Chordia, you will have to take 20 minutes and the other two speakers after you will take 15 minutes each, and the rest of the Members will take 10 minutes each, so that I can accommodate all those who want to speak.

SHRI BHUPESH GUPTA: (West Bengal): No, Madam. I had a discussion. We, three of us, gave notice of the motion. Now you decide the time in this manner. We gave the motion. In the other House it has been discussed and they have taken

a whole day. And you are cutting out our time. We cannot speak in 15 minutes over this matter.

THE DEPUTY CHAIRMAN: Mr. Bhupesh Gupta, you were present in the House when the Chairman announced that the time allotted would be two and a half hours.

SHRI BHUPESH GUPTA: I know but you can extend it. If it is 15 minutes, I do not participate in the discussion.

SHRI V. M. CHORDIA (Madhya Pradesh): Madam, I move:

"That the situation arising out of the recent Gold Control be taken into consideration."

उपसभापति महोदया, जो प्रस्ताव मैंने चर्चा के लिये रखा है वह स्वर्ण नियंत्रण आदेश के बारे में है और डिफेंस ऑफ इण्डिया ऐक्ट, जो कि अस्थायी है, उसी के अन्तर्गत स्वर्ण नियंत्रण नियम बनाये गये हैं और उन नियमों के द्वारा सोने के रखने, उपयोग, क्रय, विक्रय, गिरवी रखने, निर्माण करके गलाने आदि आदि सब प्रकार के व्यवहारों पर प्रतिबन्ध लगाया गया है।

जहां तक सोने का सवाल है, वैसे तो पुरानी कहानी कही जाती है कि राजा परीक्षित ने सब से पहले स्वर्ण का मुकुट सिर पर रखा था और उसके साथ साथ ही उनको एक पागलपन सवार हुआ था और एक सन्यासी जो तपस्या कर रहा था उनको गले में उन्होंने एक मरा हुआ सर्प डाल दिया था। ऐसा भी कहा जाता है कि सोने में कलियुग का निवास है और उसी के आघार पर वह बराबर चलता रहा। एक कवि ने भी उसके बारे में यह लिखा है :

कनक कनक ते सौ गुनी मादकता अधिकाय,
या खाये बौरात है, वा पाये बौरात ॥

तो एक कनक को खाने से, एक धतूरे के खाने से आदमी पागल हो जाता है, अगर

सोने को प्राप्त करने से ही पागलपन शुरू हो जाता है।

श्री महाबीर प्रसाद भार्गव : (उत्तर प्रदेश) : कनक तो गेहूँ को भी कहते हैं।

श्री विमलकुमार मन्नालालजी चौरड़िया: जी जनाब, मगर यहां सोने से मतलब है। तो इस तरह से यह पागलपन होता है, पर इसके बावजूद भी उसका महत्व कम नहीं हुआ और लोगों का आकर्षण उसके प्रति दिन प्रति दिन बढ़ता गया और बढ़ता जा रहा है। उसमें किसी तरह की कमी नहीं आई। इसका मुख्य कारण यह है कि सोना एक ऐसी धातु है जो थोड़े से वजन में अधिक मूल्य प्राप्त कर सकती है। इस वजह से और भविष्य की सुरक्षा की दृष्टि से भी लोगों ने सोने को इकट्ठा करना आवश्यक समझा।

पहले जब लड़ाई होती थी तो राजा लोग बदल जाते थे फिर भी लोग सोना ही एक मात्र ऐसा साधन समझते थे कि चाहे जितने राजा बदल जायें, उनकी करेसी बदल जाती, उनके सिक्के बदल जाते, किन्तु सोने के आधार पर वे अपना आर्थिक ढांचा नहीं बदलने देते और उससे किसी तरह का कष्ट उनको नहीं होने पाता। वैसे देखा जाय तो यह सोना का मूल्य केवल सन्यासियों के लिये नहीं है और जो ज्ञानशून्य हैं उनके लिये नहीं है। किन्तु जो संसार के जाल में पड़े हुये हैं, माया के चक्कर में से हुये हैं, उन सब के लिये इसका बहुत मूल्य है और उसी मूल्य के आधार पर लोग इसको इकट्ठा करते रहते थे। बीच में चमड़े का सिक्का भी चला। इन सब के बावजूद भी ऐसी परिस्थिति हमारी हुई कि विदेशी आक्रमणों के परिणामस्वरूप या आपस के लड़ाई शगड़ों के परिणामस्वरूप चाहे हमारे राज्य बदलते गये, फिर भी लोगों की आर्थिक अवस्था नहीं बिगड़ी

और उनके दैनिक कार्यक्रम के लिये धन की जो आवश्यकता पड़ती है उसमें कमी नहीं आई। इसी दृष्टि से उन्होंने सोने को अपने पास रखना शुरू किया और उसको वे अपने पास एकत्र करते गये।

वैसे देखा जाय तो जैसे जैसे सिविलिजेशन बढ़ता गया और अन्तर्राष्ट्रीय व्यापार शुरू हुआ तो उसमें भी सोने का ही एक मात्र ऐसा मुख्य आधार रखा गया जिसके आधार पर व्यापार किया जा सकता है। इस प्रकार सोने का महत्व बढ़ता गया। सोचा यह जाता था कि स्वतन्त्रता के बाद इस प्रकार का मोह कम करके लोग अपना धन ऐसी बैंक्स में सुरक्षित करेंगे जहां धन बचा करके रखा जा सके और भविष्य में समय पड़ने पर उपयोग में लाया जा सके। किन्तु जब सन् १९४६ में बड़े बड़े नोटों का चलना बन्द किया गया और उसी समय के आसपास सन् १९४५-४६ में कुछ बैंक्स फेल हुई और जैसी कि अभी हाल में पलाई बैंक की घटना घटी और कुछ और बैंकों के बारे में चर्चा चली, तो लोगों के मन में एक ऐसा अविश्वास इन बकों के बारे में उत्पन्न हो गया कि इन बैंकों में अपना धन रखने में हिचकते हैं। साथ ही साथ जो हमारे यहां पर बहुत बड़ा बजट बनता है और बहुत सा विदेशी कर्ज हमारे सिर पर है और लोग सरकार के बहुत से अपभ्यय के काम देखते हैं तो लोगों के मन में यह भय होता है कि यह कहीं दीवाला न निकाल दे और ये जो सरकार ने नोट्स सर्क्युलेट कर रखे हैं इनको बन्द न कर दे और हमारी स्थिति खराब न हो जाये। इस वजह से भी लोगों का सोने के प्रति आकर्षण बढ़ता जा रहा है।

इस सोने के महत्व व उसके प्रति आकर्षण के कारण ही कुछ रुठियां ऐसी चल गईं जिनको लोग धार्मिक स्वरूप देने लग गये जैसे मंगलसूत्र का पहनना दक्षिण भारत में थिरुमागल्यम की सोने की थाली

[श्री विमलकुमार मन्नालालजी चौरडिया]
देना और कन्या दान करते समय बिलकुल सोने से लाद करके कन्या का दान करना, आदि, आदि, । इन रुढ़ियों ने जो धार्मिक स्वरूप धारण किया वह मुख्यतः इसी कारण से है कि सोना किसी तरह से उनके पास रहे जिससे उनका भविष्य सुरक्षित रहे । इसी आधार पर उन रुढ़ियों को धार्मिक महत्व दिया गया, लेकिन इन सब का लक्ष्य एक मात्र यह है कि जब कभी आपत्ति आये तो उसका सामना करने के लिये सोने का उपयोग किया जा सके और कभी भूखे मरने की नौबत नहीं आये, उससे रक्षा की जा सके । इसी दृष्टि से यह सोना एकत्र किया जाता है ।

जब हमारे देश पर चीनी आक्रमण हुआ और यह एक बड़ी भारी आपत्ति हमारे सिर पर आई, तो इसका मुकाबला सब को करना चाहिये, इसमें दो मत नहीं । इसी आशय से हमारी सरकार भी चाहती है कि हमको विदेशी मुद्रा की तकलीफ है, और हमको इस आपत्ति का सामना करना है और इस चुनौती का जवाब देना है इस लिये हमको सोना चाहिये, परन्तु यह जो सोने का मोह है वह इसमें बाधक होता है और इसी आशय से हमारी सरकार ने स्वर्ण नियन्त्रण के यह नियम जारी किये ।

मुख्य उद्देश्य हमारी सरकार का यही है कि जो सोने का अन्तर्राष्ट्रीय भाव है उसी भाव पर हमारे यहां सोने का मूल्य आ जाय, सोने का तस्कर व्यापार रुके, सोने पर से लोगों का अनुराग कम हो और बचा हुआ सोना है वह बाहर निकले ।

यहां तक सोने के भाव का सवाल है, मुझे बड़े दुःख के साथ कहना पड़ता है कि इसकी जिम्मेदारी व्यापारियों की नहीं है, खरीदारों की नहीं है, मुख्यतः इसकी जिम्मेदारी हमारी सरकार के उस आर्थिक ढांचे की है जिसकी वजह से हमारे रुपये की क्रय शक्ति इतनी कम है

कि सोना खरीदने के लिये अधिक मूल्य देना पड़ता है ।

वैसे देखा जाय तो हमारे यहां पर सन १९३९ में सोने का भाव १८ रुपये २१ नये पैसे प्रति १० ग्राम था । उसके बाद द्वितीय विश्व युद्ध आरम्भ हुआ । द्वितीय विश्व युद्ध के समय में हमारे देश में विदेशी सत्ता ने पेपर करेंसी का सर्कुलेशन ज्यादा किया । उसके परिणामस्वरूप भी लोगों का आकर्षण सोने के प्रति बढ़ा । दूसरी बात यह हुई कि हमारी करेंसी की खरीदने की ताकत कम हुई और उसकी वजह से अन्तर्राष्ट्रीय बाजार के भाव पर हम ठहर नहीं सके और मुद्रास्फीति के कारण लोगों को सोने के अधिक दाम देने पड़े । अब हम सोने को अन्तर्राष्ट्रीय भाव पर लाना चाहते हैं, किन्तु जब तक हमारे यहां के आर्थिक ढांचे को उस स्तर पर न लाया जाय और हमारे रुपये के खरीदने की शक्ति को उस सीमा पर न कर दिया जाय जो कि अन्तर्राष्ट्रीय है तब तक हमारा यह सोचना बेकार है कि हम इन अप्राकृतिक साधनों से सोने का भाव कम कर देंगे । वास्तव में आप इन नियमों के द्वारा अधिक चोरों का और तस्कर व्यापारियों का निर्माण कर रहे हैं । आज गांव गांव में इन नियमों का उल्लंघन करने वालों की संख्या बढ़ती जा रही है, जिनको कोई भी संज्ञा दी जा सकती है । तो ऐसी स्थिति का आज हम निर्माण कर रहे हैं ।

आज हमारे रुपये की स्थिति यह है कि वैसे तो एक पौंड को खरीदने की जो कीमत ठेहरी हुई है वह यह है कि एक पौंड के लिये १३ रुपये ६ आने देने पड़ते हैं, मगर उसको यदि अंडरक्लाथ डीलिंग के द्वारा खरीदना हो तो एक पौंड के २५ रुपये देने पड़ते हैं । आज हमारे रुपये की यह स्थिति है । ऐसी दशा में यदि सरकार सोने का भाव अन्तर्राष्ट्रीय स्तर पर लाना चाहती है तो उसके लिये अत्यन्त

आवश्यक है कि इन नियमों के बजाय हम अपने आर्थिक ढाँचे को ऐसा करें कि हमारे मोटर्स की कीमत बढ़ जाये जिससे सोने के भाव में फर्क आ सके।

दूसरे सोने के तस्कर व्यापार का जहाँ तक सवाल है, तस्कर व्यापार की स्थिति ऐसी है कि जब तक भारत के ठुक्ड़े नहीं हुये थे तब तक कुछ सीमाओं पर प्रतिबन्ध भी हो सकता था क्योंकि सब उतने तस्कर व्यापार के मार्ग नहीं खुले थे, किन्तु जब से पार्टीशन हो गया है तब से तस्कर व्यापार के इतने मार्ग खुल गये हैं कि जैसा मैंने पहले भी निवेदन किया है कि कई ऐसे क्षेत्र हैं जहाँ अकान हिन्दुस्तान में है तो खिड़की पाकिस्तान में खुलती है और अकान पाकिस्तान में है तो खिड़की हिन्दुस्तान में खुलती है और कुआं पाकिस्तान में है तो रस्सी हिन्दुस्तान में आती है। ऐसी स्थिति में चाहे हमारे मोरारजी भाई हों, चाहे कोई भी वित्त मंत्री हों, यह बिलकुल असंभव है कि वे तस्कर व्यापार को रोक सके। और तस्कर का व्यापार केवल एक तरफा नहीं होता, दोनों तरफ से होता है। जहाँ पर भाव कम होगा वहाँ से होगा। मानवीय कम-जोरी है कि मनुष्य स्वार्थ से पीड़ित है और उसके चलते यह होगा कि अगर इधर भाव कम होगा तो इधर से सोना जायेगा और अगर उधर भाव कम होगा तो उधर से सोना आयेगा, किसी की ताकत नहीं है कि इसको रोक सके। ऐसी परिस्थिति में कितना भी सख्त नियंत्रण लगा दें इसका रोकना असंभव है। और यह काम करने वाले कुछ गिनती के लोग हैं। उन गिनती के लोगों के लिये आपकी सारे देश को कष्ट देना पड़ रहा है यह मैं मानता हूँ कि अगर छूट हो तो उनकी संख्या भी बढ़ सकती है, यह मैं नहीं कहता कि नियंत्रण नहीं होना

चाहिये, नियंत्रण तो अति आवश्यक है परन्तु जहाँ चालीस-पचास लोगों के पीछे सारे देश को सजा देने की स्थिति आये तो वहाँ मैं निवेदन करूँगा कि जिस तरह से डिफेंस आफ इंडिया एक्ट के अन्तर्गत हमने देशद्रोह की आशंका के कारण कुछ कम्युनिस्ट भाईयों को गिरफ्तार किया है उसी तरह से हम माननीय मंत्री जी से यह अपेक्षा करते थे कि ऐसे जो लोग थे जिनके बारे में यह आशंका थी कि वे आदतन तस्कर के व्यापारी हैं या जो थोड़ा बहुत स्मगलिंग करते थे उन्हें जेल में बिठा देते—तो यह समस्या बहुत कुछ हल हो सकती थी।

जहाँ तक सोने के प्रति अनुराग का प्रश्न है उसके लिये हमारी सरकार ने कुछ प्रयत्न किये। सबसे पहले देशभक्ति के आधार पर हमारे वित्त मंत्री ने लोगों की भावनाओं को जाग्रत किया कि देश पर आपत आई है और आप लोग पैसा दीजिये, सोना दीजिये, देश बड़ी विपत्ति में है और जब उससे भी कुछ विशेष काम नहीं चला तो २१-८-६२ को व्यापारियों से भाव कम करने का अनुरोध किया। जब उससे काम नहीं चला तो ५-११-१९६२ को स्वर्ण बांड्स की योजना को लागू किया और उसमें व्याज अट्रैक्टिव दिया और जब उसका परिणाम लाभदायक नहीं हुआ तो फिर स्वर्ण के वायदा व्यापार पर नियंत्रण किया लेकिन उसका परिणाम भी कुछ ज्यादा लाभदायक नहीं हुआ। हाँ, उसका तुरन्त असर यह हुआ कि जो सोना १४४ रु० प्रति १० ग्राम के भाव से बिकता था वह ८६ रु० प्रति १० ग्राम के भाव पर आ गया लेकिन फिर उसका रिप्लेशन हुआ और फिर भाव बाजार में बढ़ गये। इसके बाद फिर २-१२-१९६२ को वित्त मंत्री ने भाव गिराने के लिये कहा कि वह कठोर से कठोर कदम उठायेँगे और अब सावधान हो जाइये। उसका

[श्री विमलकुमार मन्नालालजी चौरे]

रिएक्शन हुआ और कुछ भाव गिर गया लेकिन फिर भाव बढ़ गया। तो जितनी जितनी घोषणायें होती रहीं उसी के हिसाब से उतने उतने भाव कम होते गये या बढ़ते गये। पहले भाव कम होता गया लेकिन फिर बढ़ता गया, फिर कम हुआ, और फिर बढ़ा और इसी तरह से भाव कम होता गया और बढ़ता गया। अन्त में आपने ६-१-१९६३ को गोल्ड कंट्रोल आर्डर निकाला।

वैसे तो मंत्री जी कहते हैं कि हमने बहुत सोच समझ कर गोल्ड कंट्रोल आर्डर निकाला है, अच्छी तरह से पूरा विचार करने के बाद यह गोल्ड कंट्रोल आर्डर निकाला है परन्तु देखने में ऐसा आया कि अगर हमारे मंत्री जी ने इस को ठीक तरह से सोच समझ कर निकाला होता तो जो परिणाम आज स्वर्णकारों को भोगना पड़ रहा है वह भोगना नहीं पड़ता। जब कि यह आर्डर निकाल था तब उसी के साथ साथ हमारी सरकार इस बारे में भी विचार कर लेती कि इसका रिएक्शन किन किन पर पड़ने वाला है, इसका असर किन किन पर पड़ने वाला है, तो ज्यादा अच्छा होता लेकिन वह हमारी सरकार ने किया नहीं। ऐसी स्थिति में यह अत्यंत आवश्यक है कि हमारी सरकार इस पर विचार करके कि किन किन पर इसका असर हुआ है उनको राहत देने की कृपा करे। वह ऐसा करे तो ज्यादा अच्छा होगा।

जहां तक सोने की स्थिति का सवाल है मेरा निवेदन है कि यू० एस० ए० में १०० डालर की कीमत से अधिक का सोना रखने की इजाजत नहीं है। फ्रांस में स्थिति यह है कि स्वदेश में चाहे जितना सोना रख सकते हैं लेकिन विदेशों में कुछ भी सोना जमा नहीं कर सकते। पश्चिमी जर्मनी, स्विटजरलैंड और

बेल्जियम में किसी प्रकार का प्रतिबन्ध नहीं है। और हमारे देश में सोने की स्थिति क्या है जो कि हमारे मंत्री जी को यह आकर्षण हो रहा है कि ज्यादा से ज्यादा सोना लोगों के पास निकले। वह इसके लिये लोगों को बड़ा आकर्षित कर रहे हैं। हमारी जो स्थिति है वह इस प्रकार से है : औसतन भारत के प्रति व्यक्ति के हिसाब से सोना ०.२७ औंस है। तो हमारे यहां सोना इस हिसाब से है जबकि औसतन संसार प्रति व्यक्ति के हिसाब से सोना ०.६३ औंस है और यू० एस० ए० में प्रति व्यक्ति के हिसाब से सोना ४.५० औंस है। हां, साथ ही साथ यह बात भी है कि वहां का सोना सरकार के पास अधिक है और जनता के पास कम है, सरकार के पास वहां का सोना ६० प्रतिशत है और जनता के पास ४० प्रतिशत है और हमारे यहां जो सोना है उसका ६५-६६ प्रतिशत जनता के पास है और सरकार के पास केवल ४ या ५ प्रतिशत है। तो संसार के अन्य देशों के मुकाबले इतना कम सोना जनता के पास होते हुए सोने के प्रति जो अनुराग जनता के मन में विद्यमान है उसको कम किया जाना विचारणीय है। मगर जब यह अनुराग कम करना हो है तो हमारी सरकार को इसके साथ ही साथ कोई दूसरा आल्टरनेटिव भी सोचना चाहिये था कि जनता जो धन एकत्र कर रहा हो, बचा रही हो उसको कहां किस तरह लगावे। उन्होंने कुछ योजनायें इंग्लैंड वगैरह की अपने भाषण में बतई है परन्तु मैं यह निवेदन करना चाहता हूँ कि स्माल सेविंग्स की जो स्कीम्स हैं उसमें ग्रामीण क्षेत्र के लोगों को कितना कठिनाइयां भुगतनी पड़ती हैं—गांव के लोगों को दूर से आने जाने में जो तकलाफ उठानी पड़ती है और धन निकालने में जो कठिनाई उनको होती है उसकी वजह से लोगों का आकर्षण उनके

प्रति हो नहीं पाता है। तो इन कठिनाइयों को सबसे पहले दूर करने की आवश्यकता है। दूसरी बात यह है कि जिस रोज़ उनको पैसे की जरूरत होती है उस रोज़ वह मिलता नहीं है। ग्राम का एक आदमी सोने को किसी आदमी के पास प्रतिभू के रूप में रख कर पैसा प्राप्त कर सकता था लेकिन आपके यहां वह सहूलियत नहीं है, रविवार को छुट्टी हो गई तो पोस्ट आफिस से पैसा मिलता नहीं है या ३ बजे से पहले वह रुपया न लेले तो वह मिलने वाला नहीं है वगैरह वगैरह। तो इनको ऐसी कितनी ही कठिनाई पड़ती है। ऐसी स्थिति में मैं निवेदन करूंगा कि अगर सरकार इस पर तुली हुई है कि सोने के बारे में लोगों पर नियंत्रण करना है कि वे सोना नहीं रख सकते हैं तो हमारी सरकार ऐसे निगोशिएबिल इंस्ट्रुमेंट्स निकाले जिनको कि कहीं पर भी गिरवी रख करके रुपया लिया जा सके और आसानी से किसी से भी उस पर रुपया मिल सके। उनके अभाव में यह अत्यंत कठिन है कि जो सोना या जेवर एक बैंक के रूप में लोगों के पास रखा रहता था उनका उपयोग वे नहीं कर पायेंगे, इससे उसको बड़ी कठिनाई का सामना करना पड़ेगा।

जहां तक स्वर्ण नियंत्रण नियमों का सवाल है, जितने आपके इंस्पेक्टर वगैरह हैं उनके बारे में काफी चर्चा हुई कि वे लोग नियमों को पूरी तरह से समझ नहीं पाये और जब वे व्यापारियों के पास गये तो उनको भी बराबर समझा नहीं पाये। वे खुद कहते थे कि हमें भी पूरी तरह से समझ में नहीं आता। तो यह अत्यंत आवश्यक था कि हमारी सरकार जरा कुछ उनको ठीक ढंग से शिक्षित करती और साथ ही साथ यह भी अत्यंत आवश्यक था कि हमारे यहां जो स्वर्णकार हैं उनको इन नियमों को अच्छी तरह से समझाती।

अंग्रेजी में समझ सकें इतनी बुद्धि बहुत से लोगों में नहीं है इसलिये हमारा सरकार को चाहिये था कि प्रान्तीय भाषाओं में भी और हिन्दी भाषा में भी इन नियमों को अनुवाद करा के अविलम्ब सर्क्युलेट करती—तो उससे लोगों को सुविधा होती और यह अच्छा होता मगर हमारी सरकार ने वैसा किया नहीं। साथ ही जो रिटर्न्स वगैरह के फार्म्स हैं वे सबके सब अंग्रेजी में ही हैं। स्थिति यह है कि उनको भरने के लिये एक दलाल को बीच में कायम करें और उनको उसके लिये फीस दें तब कहीं फार्म्स वगैरह भर सकें और दे सकें। तो इस तरह की कठिनाइयों का सामना लोगों को करना पड़ता है और इस ओर भी हमारे सरकार को कुछ सुधार अपना करना चाहिये।

नियमों की व्यावहारिकता का जहां तक सवाल है मेरा निवेदन है कि यह विचार नहीं किया गया कि जो हमारे यहां फाइन आर्ट डेवलप हो रहा है या जो मीना का काम कुंदन का काम होता है जिसमें कि २२ कैरेट से कम के सोने का उपयोग नहीं हो सकता—वह होता रहे। वैसे तो हमारे मंत्री जी ने भाषणों में बताया है कि हम उनको वेयरहाउस में बिठा कर काम करायेंगे मगर यह तरीका कोई ठीक जचता हो ऐसी बात नहीं है। आप उनको सीमित मात्रा में सोना दीजिये और सोना देने के बाद उनसे हिसाब लीजिये कि तुमने कितना काम किया है लेकिन कोई ऐसी व्यवस्था हम नहीं कर रहे हैं। वे इन चीजों को एक्सपोर्ट करते हैं और उसमें उनको काफी लेबर-चार्ज मिलते हैं, उनको काफी आमदनी मिलती है, लेकिन इसका कुछ खयाल नहीं किया गया। इसी तरह से गोटा बनाने में सोने के तारों की जरूरत पड़ती है। तो कई तरह के ऐसे व्यवसाय हैं और

[श्री विमलकुमार मुन्नालालजी चौरडिया]
बहुत सी टेक्निकल बातें हैं। वैसे तो मंत्री जी ने सब लोगों को कंसल्ट किया होगा फिर भी रुल्स को देखने से ऐसा लगता है कि वे प्रैक्टिकल नहीं हैं और कई लोगों को इससे कठिनाई होने वाली है।

रिफाइनरीज का जहाँ तक सवाल है तो घर घर में रिफाइनरीज थीं लेकिन अब हम इनको लाइसेंस करना चाहते हैं और इन पर कई तरह का प्रतिबन्ध लगाना चाहते हैं। तो इन सारे प्रतिबन्धों की वजह से और जो १४ कैरेट की बीबारी है उसकी वजह से स्वर्णकारों को कठिनाई है; क्योंकि उनको इसके बारे में ज्ञान नहीं है। वैसे तो मंत्री जी कहते हैं कि इसमें बड़ी आसानी है, चांदी मिला लीजिये और इतना कैरेट कर लीजिये अगर कितने आदमी हैं जिनको कि इसका ज्ञान है कि चांदी कितनी तौल में मिलायें और इसका क्या फारमूला है। तो इसके लिये मंत्री जी को व्यापक प्रचार करना चाहिये और स्वर्णकारों को इसके लिये ज्ञान देना चाहिये कि वे १४ कैरेट का सोना किस तरह से बना सकते हैं। गांवों के स्वर्णकारों से हम मिलें तो उन्होंने कहा कि हम यह नहीं बना सकते हैं और हम अपना काम धंधा बन्द कर के चूपचाप बैठे हुए हैं बेकार हैं, खाने पीने के लाले पड़े हैं। तो हमारा यह नैतिक कर्तव्य है कि जब किसी का व्यापार छीनते हैं—जबकि राष्ट्रीय आवश्यकता का लेबिल लगा कर उसे छीनना चाहते हैं—तो यह अत्यंत आवश्यक है कि उनके बारे में कुछ बचाव करे।

अधिक समय नहीं है इसलिये अब मैं स्वर्णकारों के बारे में कुछ बातें और निवेदन कर देना चाहता हूँ। वैसे तो हमारे मंत्री जी ने कहा है कि कोई खास बात

नहीं है, हमने सब सोच विचार कर किया है; फिर भी गांव गांव से और विभिन्न स्थानों से स्वर्णकारों के प्रतिनिधिमंडलों ने अपने आवेदन-पत्र भेजे हैं, अपने मांगपत्र भेजे हैं, वह मंत्री जी के पास भी आये होंगे—जब हमारे पास वह सैकड़ों की संख्या में आ सकते हैं तो मंत्री जी के पास हजारों की संख्या में आये होंगे—और उन्होंने अच्छी तरह से उनके लिये विचार किया होगा।

मेरा निवेदन यह है कि उनका सबसे पहले कर्तव्य यह था कि गोल्ड कंट्रोल आर्डर को निकालने के साथ-साथ स्टेट गवर्नमेंट्स को यह भी लिख देते कि वह एक वीकर सेक्शन हैं और हमारे संविधान में वीकर सेक्शन की जो संज्ञा दी गई है और जो वीकर सेक्शन को लाभ दिये जाने चाहियें उसी में इनको भी लिया जाये और वही लाभ दिये जायें। मगर हमारी सरकार ने वह किया नहीं और इससे ऐसा लगता है—जैसा कि आप कहते हैं बहुत विचार करके किया—वैसा विचार करके आपने किया नहीं।

तो हमारी सरकार का यह कर्तव्य हो जाता है कि जो लोग बेरोजगार हो गए हैं, जिनकी क्षमता नहीं है और जिनके पास कमाने-खाने का और कोई धंधा नहीं है, उनके लिये कोई व्यवस्था करनी चाहिये और उनको जब तक आप दूसरा धंधा नहीं देते हैं तब तक के लिये उनको बेरोजगारी का भत्ता दिया जाना अत्यंत आवश्यक है।

हमारे वित्त मंत्री जी के विभाग द्वारा १४ कैरेट सोना बनाने का फारमूला जल्दी ही पापुलर किया जाना चाहिये,

कि इस इम तरह से यह बनाया जा सकता है।

स्वर्णकार को रिफाइनरी बनाने के लिये इजाजत दी जानी चाहिये और साथ ही १४ कैरट सोना और उसके जेवर बनाने की ट्रेनिंग दी जानी चाहिये।

नौकरियों में जो आयु का प्रतिबंध होता है उससे रिलेक्सेशन उनको जहां जहां दिया जा सकता है वह देकर आयु का प्रतिबंध हटा लेना चाहिये।

सरकार द्वारा मंजूरशुदा जो १४ कैरट का गोल्ड है उसको जहां पर वे बनवाना चाहते हैं उसकी व्यवस्था करें और मरकरी एजेन्सियों द्वारा दिलवाने की व्यवस्था करें। उनको गहने बनाने की छूट देनी चाहिये। १४ कैरट का सोना तैयार करना भी मुश्किल और रिफाइनरी की व्यवस्था भी नहीं, इसके कारण उनका सारा कारोबार और काम धंधा बिल्कुल गड़बड़ में पड़ गया है।

वैसे स्वर्णकारों का व्यवसाय फाइन आर्ट्स में आता है। ऐसी स्थिति में जितने भी बारीकी के काम हैं जैसे टेलीफोन के यंत्र बनाना है, या हिन्दुस्तान मशीन टूल्स में घड़ियों के पुर्जे आदि बनाने का काम है, ऐसे कामों में उनका उपयोग ले अलग अलग केन्द्रों में उन कामों को शुरू कर और इस प्रकार उन लोगों को लाभ देना चाहिये।

और जो लोग उन कामों को करने में अग्रसर हैं उनको जमीन देने में प्राथमिकता दी जानी चाहिये।

यात्री गाड़ियां लाइन पर चलाने के परामर्श देने चाहियें या किसी भी तरह का

दूसरा ट्रेड सिखलाना चाहिये और हमारे इन्डस्ट्रीज डिपार्टमेंट के मातहत जिन उद्योगों में उनको लाइसेन्स दिये जा सकते हैं उनको देने में भी प्राथमिकता उनको ही दी जानी चाहिये; नकावी दी जानी चाहिये, लोन्स दिये जाने चाहियें।

ये सारी जिम्मेदारी सरकार की इम्पलिये है; क्योंकि आप अपनी गलती की वजह से, देश को लाभ पहुंचाने का लेवल लगाकर, उनको नुकसान पहुंचा रहे हैं। उनके प्रति अपना भी कर्तव्य है। हम बैसे सोशल वेलफेयर की बात करते हैं मगर कार्य रूप उसको परिणत नहीं करते हैं और कहते हैं एजीटेशन नाम-मात्र का है। तो क्या सरकार इसकी राह देखना चाहती है कि पहले एजीटेशन हो बाद में कार्यवाही करे? यह उचित और न्यायमंगल प्रतीत नहीं होता। इसलिये मेरा निवेदन है कि स्वर्णकारों के बारे में शीघ्र ही निर्णय लेकर उनको अधिक से अधिक राहत पहुंचाने का कष्ट करेंगे।

The question was proposed.

SHRI NIREN GHOSH (West Bengal): I move:

1 "That at the end of the Motion the following be added, namely:—

'and having considered the same, this House is of opinion that the Gold Control Order has failed to achieve the declared aims of the gold policy, namely, to stop gold smuggling and bring down the price of gold'.

I also move:

2. "That at the end of the Motion the following be added, namely:—

'and having considered the same, this House is of opinion that the Gold Control Order has not helped the country to mobilise

[Shri Niren Ghosh.]

the huge gold hoards lying as dead capital with big business, princes and other rich people for the purpose of productive investment'."

I also move:

3. "That at the end of the Motion the following be added, namely:—

'and having considered the same, this House is of opinion that the Gold Control Order has resulted in the loss of livelihood for lakhs of goldsmiths and other artisans'."

I also move:

4. "That at the end of the Motion the following be added, namely:—

'and having considered the same, this House is of opinion that in order to make the Gold Control Scheme successful, Government should declare—

(a) a ceiling on gold hoardings in any form;

(b) that all holdings above the declared ceiling would be compulsorily acquired under the Gold Bond Scheme or some other suitable scheme;

(c) that all holdings above the ceiling would be a penal offence;

(d) that ornaments below the ceiling would be permitted up to 22 carat gold;

(e) that goldsmiths and other artisans would not be required to take licences if they are not dealers in gold; and

(f) that only those who manufacture gold ornaments etc. for sale and others who deal in gold would be liable to take licences'."

The questions were proposed.

SHRI BHUPESH GUPTA: Madam, in a way it is a good occasion for us that we are discussing a matter of such importance as the Gold Control Order. I would only like to remind the hon. Finance Minister, if he would kindly like to be reminded, that once, in a Consultative Committee, some years ago from our Party we suggested that the gold reserves and hoards in the country should be compulsorily mobilised for the purposes of national development and for the Plan. The Finance Minister, it must be said to his credit, did not reject the idea but then he passed on to some political plane and said that it was difficult for him because such things could be easily done in a totalitarian country and would not be feasible in a democratic set-up. I do not say that the hon. Finance Minister has become a totalitarian but it is a good thing that he has accepted the suggestion that we have been making all these years. Even in our election manifesto for the third general elections, we placed these demands of mobilising the gold hoards and reserves for national development and attached great importance to it. Naturally, when any step is taken to tap the gold reserves and hoards for the needs of the country's economic development, the Finance Minister, or for that matter the Government, can certainly deserve the support from all right-thinking men. Therefore, when I give my general support, I again emphasise as to why I am supporting it. At the same time, this support is tempered with complaints, grievances and criticisms on my part too. I shall deal with the different aspects of the matter.

When we are discussing it, we have in mind the controversy which has been raging in the country over the past few weeks or 2 or 3 months. There are many parties to this controversy. For example, there are the gold hoarders, bullion hoarders, former princes, millionaires and others and they have one line of argument

and reasoning. We do not share those arguments or reasonings at all. I wish to make it absolutely clear because their line is one of sticking to the gold hoards and denying the country and the nation what should come to the nation.

[THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) in the Chair]

Then there are the jewellery artisans, goldsmiths and so on. They have been hit by the Gold Control Order and many of their grievances are legitimate and have to be looked into and considered sympathetically and as far as possible, the Government should try to meet their legitimate demands.

Then, of course, there is the public at large. The public comes in as a private user of gold, specially ornament gold and so on. Their case is also to be considered in a dispassionate way and in an objective manner, not completely divorcing ourselves from the realities of our social existence nor getting ourselves completely tied up with what had obtained in the past.

Now let us go into this question step by step but I must say right in the beginning that as far as the people are concerned, they are in favour of stringent measures against smuggling of gold and for saving the resources for the country. They are in favour of mobilising the gold hoards, in whatever form they are with the rich people, for the cause of the nation and for national development but their complaint is that the measures do not in some respects go far enough, whereas in other respects, they hit those sections of the people who really need relief. These measures do not help us to disgorge the gold hoards that are lying with the richer sections of the community, the millionaires, former princes, big landlords and so on. Therefore all these aspects are to be considered. In discussing this problem, therefore, we have to first take into account the question of smuggling and the resultant loss to

our national economy; secondly, the possibilities of mobilising gold for national development, restricting its wasteful use by the citizens and others; thirdly, the problem of the craft based on the work of gold and of the goldsmiths and artisans because there are 5 lakhs or more artisans and goldsmiths in the country and of you take into account their families, it will be more than 30 lakhs of people who are dependent on this particular line of industry and craft. The Gold Control Order, I must make it clear, is no social revolution or reform because it seems the Finance Minister digressed and made out in another place that it was a social reform; nor is the Gold Control Board a body of social reformers. All these talks about social reform are out of place here and sheer demagoguery. Therefore we need not go into this aspect of the matter and the Finance Minister, of all persons, knows it very well and he would have never said it was a social reform unless he was interrupted or rubbed in the wrong way, perhaps by Mr. Prakash Vir Shastri in another place.

SHRI AKBAR ALI KHAN (Andhra Pradesh): But we say it is a social reform.

SHRI BHUPESH GUPTA: We will come to that. Therefore let us not get into that. We are not discussing the Hindu Marriage Bill or any such thing. This gold we need for the country's development. How to get it is the problem. How to deal with smuggling is the problem. These are the practical problems at issue. One may be very conservative without wearing any ornaments and one may also be very progressive with wearing some ornaments. Therefore let us not get into these things. Ladies can lighten us on this subject more than others, perhaps. Let us examine the different aspects of the gold policy and the Gold Control Order from these major considerations.

Take the case of smuggling of gold first because that is the crux of the

[Shri Bhupesh Gupta.]
 problem, which is a serious problem. There is no doubt about it. I am in entire agreement with the Finance Minister when he puts his finger on the problem and calls the attention of the country to tackle this 3 P.M. problem. Smuggled gold amounts to Rs. 40 to Rs. 60 crores annually and this amounts to a huge loss of foreign exchange every year. If you take the average for the last ten years, I venture to say that the total loss must have come to about Rs. 400 crores, enough to give us two steel plants or half a dozen heavy machine building industries for our economic development and the industrialisation of the country. Therefore, it is not a small matter and I would wish him god-speed, if it is a question of stopping this smuggling and saving all this money. But my complaint is that the Government has failed in this matter. Why have they failed? An explanation has to be found for this and analytically the problem has to be considered. The Government has failed because it refuses to act against the smuggler. They act against the petty smugglers. Why has this great Government failed to act against smugglers of such a precious material as gold? The answer is simple. They have failed because these smugglers belong to high finance, they belong to a class of very influential people. That is why, because of class considerations and class ties, this Government has failed to act against the moneyed multimillionaire smugglers who have been playing fast and loose with our national economy. Am I right in saying it? Who are smuggling the gold? Not the petty man in Connaught Place walking on the street, nor those who are carrying on an illicit trade in Bombay defying the prohibition law.

Smuggling of gold can be indulged in only by the very well-to-do people, men with big resources. It must be realised that gold is bought from overseas clandestinely by diverting the commissions made on our exports.

How is this done? By under-invoicing our exports to overseas, to foreign countries. No small trader can do so, but big exporters from our country can, by misusing the foreign exchange accumulations of our nationals and of non-national residents in India or some such persons. These are again rich people who make compensatory payments in India for the acquisition of foreign exchange. These also are done again by rich people. Some people provide the foreign exchange in the other country, in England or Hong Kong as against certain payments made here to their agents, by Indian nationals or the gentlemen of the smuggling world. This is how it is done. Where do I get all this material from? Not from any Communist propaganda source or the smugglers' den. I get it from the note prepared by the Finance Ministry itself. This note was circulated to the Consultative Committee in which this has been very clearly stated. I will read not just the relevant portion only. It says:

"Hong Kong soon developed other methods of smuggling gold into our country and taking the sale proceeds out of the country either by outright smuggling of Indian rupee out of the country or by under-invoicing exports and by unauthorised detention of foreign exchange earnings abroad etc."

This is how smuggling goes on. You can well imagine who are responsible for this smuggling today. Therefore, I wish to draw the attention of the country to this aspect of the matter, because I would like to fix the target of attack as far as gold smuggling is concerned. It is no use going after the common man and his ornaments. Let us go after the bullion hoarders, the smugglers.

[THE DEPUTY CHAIRMAN in the Chair]

Therefore, Madam, we have to take action. We know from our experience very well, that it requires

a S. P. Jain to have Rs. 18 lakhs in a West German Bank. I am not naming anybody. And out of that Rs. 18 lakhs some can go for smuggling gold or for helping the process. It requires a Bajoria group of industries to indulge in under-invoicing and indeed investigation is now in progress against this group of industries. Then there is the British concern—Jardine & Henderson—about which we asked questions in this House and replies have been given by the Finance Minister. This company has been fined an aggregate sum of Rs. 26 lakhs. They were fined 24 times and the total fine amounted to Rs. 26 lakhs. And on five occasions gold worth Rs. 32 lakhs was found from ships belonging to Jardine & Henderson in Calcutta, a British concern. This is how this goes on. This is wellknown and in 1960, the hon. Finance Minister had answered questions put to him by me.

Recently, an American crossed into West Bengal from East Pakistan and his car was found to be a gold mine. Wherever you looked in it, you saw gold. Cavity after cavity disgorged huge quantities of gold. This gentleman had been sighted in the streets of Calcutta earlier and that car also had been sighted. It was an extraordinary type of car. Thanks to the efforts of the Customs Authorities, he was caught. But what about the connections? Everybody knew that another car was also seen in the neighbourhood and it could not be traced for a while. This was also reported in the papers and it was said that a famous industrialist of Calcutta was seen in that car. The connection should be found. It is not difficult to catch hold of big people. This was all reported in the papers. The hon. Minister knows about it. This American car produced gold worth Rs. 20 lakhs, I was told. It was all reported. But we do not know the Indian counterparts of this gentleman and if they had been caught. Therefore, the organised

smugglers have to be attacked and we must get into their den, get at those who commit this crime and put them where they should go. This is how it should be done. The Defence of Indian Rules are there in their hands. While this Government can arrest a thousand Communists in no time, can they not arrest ten big smugglers in four months' time? Have they become so helpless? If so, let the Home Ministry give the powers to . . .

THE MINISTER OF FINANCE (SHRI MORARJI R. DESAI): May I tell the hon. Member that Communists, who have gone underground, have not been arrested for years?

SHRI BHUPESH GUPTA: Thank you very much. The Communists are here. But your smugglers can not only go underground but I am afraid they get shelter in Ministers' houses. That is the trouble. When I go underground, I have to find shelter in the worker's house. But when the Minister needs shelter, he gets it in the smuggler's house. So they find in each other's house good shelter and accommodation.

SHRI MORARJI R. DESAI: This is a base slander. That is all I have to say.

SHRI BHUPESH GUPTA: That you have said before. You don't mind, Mr. Morarji Desai, it is just figuratively speaking. I don't mean you. The Finance Minister sometimes lives in Shri Shanti Prasad Jain's house in Calcutta, I don't know which one.

SHRI MORARJI R. DESAI: The Finance Minister has never stayed in his house.

SHRI BHUPESH GUPTA: But many Finance Ministers we have had. Why do you take it upon yourself?

Therefore, I say, this is how it ought to be done. I don't like to provoke him, because I want to support him also, for Mr. Morarji Desai has done a good thing by having this Gold Con-

[Shri Bhupesh Gupta.]
 trol Order, generally speaking, though some of the things are not good. Therefore, we must not attribute smuggling to the demand for gold ornaments by private users, by the common man. That would be wrong, not that this is not a factor, but we must not exaggerate it.

SHRI K. SANTHANAM (Madras):
 But what happens to the smuggled gold? It is sold to the poor people.

SHRI BHUPESH GUPTA: If only Shri Santhanam would be a little patient, I would certainly provide him with the answer to that question. It is an intelligent question. I had anticipated it. I may say here that a good part of this smuggled gold is also used for transforming black money into legal wealth, a portion for other purposes also, such as for the manufacture of ornaments. We know how it is used as a backing for forward deals in futures and so on. Therefore, it is not right to say that the entire quantum of smuggled gold goes in the manufacture of ornaments. It will not be right; it will be an exaggeration. That is what I say. In this connection, I would invite your attention to the monthly letter of the First National City Bank of New York dated January, 1963, in which the question of private use of gold was gone into. I quote:

"In the world around us, with few exceptions, gold is held and traded privately, serving its age-old function as the citizen's favourite hedge against paper-money inflation. More gold moved in 1962 into private uses and holdings than in any other post-war year. The tentative figure works out at 1.1 billion dollars or some 250 million dollars more than in 1961. Thus somewhat over three quarters of total new supplies went into private uses and holdings."

But there, this kind of smuggling is not going on. Therefore, these two things should be separated. If there is smuggling it does not mean that it

goes into the manufacture of ornaments. It does not necessarily mean that smuggling is followed by this and this has been shown in other countries as well. Therefore, you must not touch one part of it only; there are other questions also and they have to be taken into account.

Therefore, Madam Deputy Chairman, strike against smuggling as much as you can but this is not the only way. Other ways have to be found out. Foreign assets should be accounted for. Foreign trade is a source. Big accounts that are built up in the course of foreign trade by big business houses have to be broken up; otherwise, you cannot stop it. Therefore, that also is an important factor. Now, you cannot stop smuggling merely by putting restriction on the gold purity, that is to say, restricting gold to 14 carat purity. You cannot do so. This may be one of the ways that you have thought of but you cannot do so because then you see there will be greater demand for 14 carat ornaments which will also consume large quantities of gold because the quantum of 14 carat gold consumed will be greater than the quantum of 22 carat gold consumed in the country today and this also has to be borne in mind.

The Gold Bond Scheme, Madam Deputy Chairman, has failed. Before the Gold Control Order was passed, with all your temptations of 6½ per cent. interest, exemption from Capital Gains Tax, Wealth Tax, etc.; a sum of only Rs. 69 lakhs was invested in the Gold Bond scheme. After the Order came, the compulsion was there, the threat was there; investment went up since January 10 and now it is of the order of eight crores of rupees. This would, to some extent, justify the Minister's approach but all I would say in this connection is, carry forward the compulsion. Ask all these people to declare the gold hoards, non-ornament gold hoards on pain of confiscation of all illegal gold and five years' imprisonment and you will see that our multi-millionaire class . . .

SHRI MORARJI R. DESAI: May I request the hon. Member to show me where it is? I will certainly send him to seven years' imprisonment and confiscate the gold.

SHRI BHUPESH GUPTA: That is right. Mr. Morarji Desai is an intelligent man but at times he asks such an absurd question. If I could show you, I will go and catch them and bring them to you. I say call upon the persons to declare the gold so that they should know that later on, if you find it, you may face them with this and give them five years' imprisonment and confiscate the entire stock—five years beside Mr. Dalmia, not in hospital but in the Delhi Jail. Then, Madam, the Indian princes should be called upon to declare their gold. I say that it is very very important. Here again, I say, do away with this carat business but put a ceiling on ornament holding. Remove the restriction on carat, raise it to 22 carat but put a ceiling. Say also that in future a person can hold gold ornaments only to the tune of Rs. 5,000, shall we say? Put the restriction in that manner and this will also help the artisan.

As far as the artisans are concerned, their cases have got to be looked into and they should be given a chance. For generations they had been trained in it and they should not be thrown out of employment. In Calicut an artisan killed himself and his children. In Bengal it has happened and I read in the papers yesterday that in Bengal Shri Profulla Sen had been good enough to order a dole of four rupees to be given to these people who are unemployed. I say, this is adding insult to injury. I say, try to maintain the craft as far as possible without prejudice to the national income but put restrictions on the gold ornaments to the extent of Rs. 5,000.

Finally, I would like to say that as far as the people are concerned, this is needed for a rainy day. I do not think our people want anything else. Fashionable people and women of

the upper class may like to go about using rouge and cosmetics but as far as our womenfolk are concerned . . . (Interruption). No reflection on any section of the Members. I say, some fashionable ladies perhaps, but as far as our womenfolk are concerned, the women of our country, they live in dignity, they are shy in nature and live an unostentatious life and they do not like to flaunt ornaments. If they have certain ornaments, it is more as a saving, not merely as ornaments, which comes handy for the family in the rainy day. These ornaments are pledged and they get some money for the family and these ornaments are used to meet the demands of the family. That is how it should be viewed. When there is inflation in the country and money depreciates in value, when the banking facilities, credit facilities, are not there, when the earning is spread over and comes in very small amounts, sometimes they are saved in the form of ornaments. These, therefore, are savings of the nation also. There are people who are down and out and who are not in a position to save in other ways but would like to keep something to fall back upon in difficult times. This aspect has to be borne in mind. I think it is a defamation of our people. How many people are exhibiting ornaments? You go to a peasant's house and you will find a small bangle or some little thing and it is not to be flaunted about. It is not for show. It is part of the family's wealth. Go to a worker's house in some place and you will find some small thing. Why take it away in this manner? If you want to conserve the nation's gold, you must know where the gold is and I would like the Finance Minister, since he has taken the right step, generally speaking, not to falter in his future course of action but to extend this measure to cover millionaires, ex-princes and bullion hoarders. Compel them, by force of law, to disgorge their stock and speed up his intelligence service in this manner that should they not disclose their stock, Government itself would be in a

[Shri Bhupesh Gupta.] position to discover and trace the gold. That is how it should be done. This fight should be continued orientated with the outlook of the people, keeping in mind the broad needs of the nation, not letting down either the small artisan, goldsmiths and other common men but always aiming at or against those richer sections of the people who are sitting on the country's accumulated gold, who indulge in hoarding and profiteering, who indulge in future trade in gold which the hon. Minister has stopped and for which I congratulate him. That should be the approach in this respect. I find that, with all respect to the Finance Minister, his policy is somewhat wanting in some vital respect and I would beg of him, request him, to rectify this thing and take measures effectively against those who are in a position to disgorge the gold for the needs of the nation.

Thank you.

SHRI K. SANTHANAM: Madam Deputy Chairman, gold has been one of the weak points of our economy for the last twenty years. So long as gold could be imported freely, there was no gold problem as such and the only difficulty in that case was that the savings of the people went into gold in an unproductive manner. Therefore, in order to stop it, gold import had to be restricted and finally almost completely stopped. The result was that there was a vast demand for gold in the country; there was not enough supply and so the price of gold began to rise and rise, and from Rs. 15, which was the price of a sovereign in 1914, it came to Rs. 80 or Rs. 90 recently. It came up to Rs. 100 also. (Interruptions) I was speaking of the sovereign. And as a result of this vast difference between the international and national price there was a large amount of smuggling because the smuggler was reaping great profits out of smuggling. Therefore, somehow or other, it had to be tackled and this smuggling had to be put down. And I congratulate

the Finance Minister for the courage with which he has tried to tackle this question.

But that is one part of the problem. The second part also is equally important and it is that of doing justice to the vast numbers of people who have bought gold in the open market. They did not buy from the smugglers. It was kept an open market at which sovereign was sold at Rs. 80, Rs. 90 and even Rs. 100 during the last 15 to 20 years. The middle classes all over the country have bought gold at this price which was allowed by the Government. It was allowed by our Government for the last fifteen years and therefore they are in possession of this gold legally. Now, if anybody proposes that the shares of the Tatas or the Birlas should be acquired at the face value of the shares, then a cry would go forth that it is all confiscation. But what exactly is the difference between that and the present position when a person of the middle class who has bought gold at Rs. 80 per sovereign is now asked to hand it over at Rs. 30 or Rs. 35? Therefore, I think, the only just course would have been to pay him the same price at which it was bought, and acquire the gold. If instead of Rs. 80 or Rs. 90 or even Rs. 75 per sovereign could have been offered and a time-limit set saying that within six months people should deliver their gold to the Government at the rate of Rs. 75 a sovereign and then after six months the price will go down to Rs. 30 or Rs. 35, then of course the entire gold, probably Rs. 600 to Rs. 700 crores worth of gold would have flown into the coffers of the Government of India. But unfortunately, the Finance Minister could not take this step on account of our commitments to the International Monetary Fund. One of their conditions is that no Government should buy or sell gold except at the international price. This was undoubtedly a great difficulty in the way of an honourable and just solution of the gold problem. Therefore, while we

should encourage him in tackling this problem, there is the real issue of what should be done in the case of those who have bought gold in the open market. I do not agree that the bulk of the gold in this country is in the form of bullion. There may be a small part which is in bullion but at least 90 per cent. of the gold in India is in the form of ornaments. I have no doubt about that.

SHRI BHUPESH GUPTA: How?

SHRI K. SANTHANAM: Every year gold worth Rs. 30 or Rs. 40 crores may have been smuggled into the country but they have all been converted into ornaments. There may be small pockets where . . .

SHRI BHUPESH GUPTA: May I just point out that some time back, I think about three years back, the Finance Minister circulated a document in which it was estimated that the gold hoarding in the country was of the order of Rs. 2,000 crores and they pointed out that a sizeable amount of that was held in bullion. And recently their note shows that the total is Rs. 4,100 crores and again it has been stated that a sizeable amount of that is in bullion and bars.

SHRI K. SANTHANAM: I have already stated that there was an open market here and the bullion merchants, who held this gold, sold it out to the people for making ornaments. There was no other purpose in hoarding this gold. Therefore the bulk of the gold was and is today in the form of ornaments. And what should the people do with their ornaments? Of course, they can hand it over to the Government of India at half the price but is it right and just to ask them to do so? They will not voluntarily hand over their ornaments at half the price at which they have bought.

SHRI S CHANNA REDDY (Andhra Pradesh): There is no question of handing them over now

SHRI K. SANTHANAM: Now we have got—I do not know whether it is Rs. 1000 crores or Rs. 2000 crores and so I shall not speculate—this vast amount of gold in the form of ornaments and I think some of these people, who have got ornaments, would some time have to convert their ornaments into money for meeting their family needs. So either there should be a free market for ornaments or somebody must take their ornaments and give them a fair price. That is the great deadlock into which we have fallen. Now, the Finance Minister—I do not know whose brainwave it was—has come to the conclusion that hereafter all transactions in gold should be in the form of 14 carats. I have no quarrel with that either; if a free right can be given to every citizen to hand over his ornaments of 22 carat or 24 carat gold to a public authority and get an equivalent amount of 14 carat gold, I think it would be a fair solution. It is the duty of the Government to create an open and legitimate market of 14 carat gold but it cannot be a free market; it will have to be a controlled market. Therefore, my proposal is that it should be the right of every citizen of India to hand over the ornaments which he wants to sell to a public authority, either to the State Bank of India or the Reserve Bank of India or some other authority and get equivalent gold of 14 carat which can be sold to bullion dealers or to other people or which can be converted into ornaments. Unless some such solution is found, an incredible amount of injustice and oppression would result and many of the people, who have put all their savings in ornaments, will be ruined. I do not think this is intended or that it is necessary. So I wholeheartedly support one half of the gold policy of the Finance Minister. I do also believe that in due course our people will get rid of the lure of gold but a tradition of two to three thousand years cannot be broken in two, three or five years and we

[Shri K. Santhanam.] should not attempt to bring about that reform at the cost of enormous suffering. We have to safeguard everything. I do not care for the bullion dealers; I do not care for the rich people who are much cleverer than Mr. Bhupesh Gupta. They have spread out their gold among the poorer classes, among the middle classes; in the form two tolas or five tolas the entire gold has been spread all over the country.

SHRI P. N. SAPRU (Uttar Pradesh): How would you differentiate between the price of gold and the price of shares? The price of shares also fluctuates.

SHRI K. SANTHANAM: Yes; but nobody proposes that the existing shares should be bought over at half the price. But that is the proposal today with regard to gold that the gold should be surrendered at half the price at which one bought it. Of course, there is no compulsion yet. Unless you give a chance for them to exchange it or to sell it, it is as good as confiscation. Therefore I say that an honourable and just procedure should be evolved. An institution should be set up so that every middle class or poor class family which has got gold can hand it over and get 14 carat gold of fairly equivalent value. It is not good simply to leave it half-way and create a vast amount of confusion and suffering. Therefore while I support the principle of gold control I also do propose that it should not be left half-way but it must be taken to the logical conclusion and we should see that the vast majority of the people in the country who have been allowed legitimately, legally and with open eyes by our own Government to invest their money in gold, should not be made to suffer. This is the earnest plea that I want to make to the Finance Minister and I hope it will not fall on deaf ears.

SHRI DAHYABHAI V. PATEL (Gujarat): Madam Deputy Chairman, I find very often the Congress Party is being driven into policies by the friends who sit on this side of the House. What they have been driving at they seem to succeed.

SHRI BHUPESH GUPTA: Not yet.

SHRI DAHYABHAI V. PATEL: I quite agree that the Finance Minister is faced with a very grave problem and he has taken a bold step, a courageous step, in the present circumstances. I am yet not able to decide in my mind whether it was the emergency that made him do it or, according to the different statements made from his Ministry or his deputies in this House that they have been planning this for some time, whether they have utilised the emergency to push this measure through. I do not know it. If Government is intent on preventing smuggling in every way, I am sure they will have the support of everyone in the country. The people, who evade law for profit, are a very small number and I am sure the Government would have no difficulty in finding them out, if they are really intent on going after them. It is not at all difficult. After all, the smuggled gold has to come out and as the previous speaker has pointed out, smuggled gold has percolated from the smugglers to the ordinary wage-earner, the worker, in small quantities. In this country, gold has acquired a certain sentimental value besides its intrinsic value. Banking is a habit that has not come to this country. It is going to take some time before we come to that standard of literacy and understanding. It is going to take some time before that comes about. The common sense understanding is that gold is a thing that does not deteriorate. It will fetch ready money in times of need. Besides, it is a little ornament to show off at certain functions. That is the reason why the poor man, the worker, the peasant, buys gold. I mentioned one argument about it yesterday in the course of the

debate on the other Bill that we were discussing to help agriculturists. The agriculturist buys gold because when he is in difficulties he gets money readily for it. If out of a pair of bullocks one bullock dies, where does he raise money from? It is going to be a long time before the methods by which you mean to give him facilities—the red-tape and dealing with officials—become effective. But gold is a thing that comes to him readily and handy. Now, are you going to deprive him of it?

It is said that the Government has no intention of confiscating gold. Once confidence is destroyed, whatever be your professions and assertions, it can never be restored. The policies of the Government progressively in the last few years have been such that there is sufficient justification for lack of confidence of the people. I would suggest that if the hon. Finance Minister would have taken the people into confidence and had told them: "Look here, this is our need. We will give you back your gold after ten, fifteen or twenty years", people would not have demanded the 6 per cent. interest that he is offering. People would have given it on a nominal interest most willingly in the hour of need. But the measure itself, half at least, is expropriatory. As the hon. friend who spoke before me pointed out, the man is getting half the value, particularly the poor man. I would not have bothered if it were the few rich people who were losing some of the value of their gold. But it is the poor man who is affected. Every house, every family, practically may be having a little piece of gold—half a tola, one tola, two tolas or five tolas. They are being deprived of the value of their gold. That is the most objectionable feature of this scheme.

Taking away people's gold, taking away from some people, had been tried by maniacs and fanatics in other countries, with all types of measures, with the utmost of violence. Hitler did it. I hope we are not copying those methods. I hope the Finance

Minster will not lose his temper as he lost the other day. I do not mind if he loses his temper on me. I am quite able to stand it. But I was rather pained at his remarks or criticism of an hon. Member who sits behind him. A person, who has been with Gandhiji for such a long time, was called by the name or compared to the author of "Mother India". It pained me very much. It has pained many other people. I hope he will not do something even if we criticise him harshly. I was wondering whether my friend, who spoke just before me, would not come in for a similar criticism for putting forward the feelings of the people as he understands them, in his own light, in the proper way before the Finance Minister. Apart from that aspect of it, it is not parliamentary practice for any member of a party to refer to another member or his party discipline. The Labour leader, Mr. Gaitskell, was criticised on the floor of Parliament several times, for his policies. He never said: "You are a member of the party. Your position is to leave the party. Look out." It amounts to a threat. No Member of the House can be threatened and I hope you, Madam, and the Chairman will protect Members from such threats.

SHRI MORARJI R. DESAI: May I say that I reserve my right to repeat it any time I think it is proper? I did nothing wrong.

SHRI A. B. VAJPAYEE (Uttar Pradesh): No, no.

SHRI DAHYABHAI V. PATEL: I repeat my protest and I think I have the whole House with me, including Members opposite.

(Interruptions)

SHRI A. B. VAJPAYEE: May I say I am sorry, I was not present here on that day? Otherwise, I would have resented the remark made by the Finance Minister. He was not addressing the Congress Parliamentary

[Shri A. B. Vajpayee.]
Party. He was in the House and he cannot be allowed to threaten Members. Maybe, they may belong to his Party, but they are here in their own right. They have certain privileges.

SHRI MORARJI R. DESAI: May I say, Madam Deputy Chairman, that if I said anything on that occasion it was not merely referring to the Congress Party. I have my right as a Member of Parliament, as a Minister, to say what I think is proper. There was no anger in it. I said in truth what was asked for in truth and I am going to repeat it any time the occasion arises.

(Interruptions)

SHRI BHUPESH GUPTA: Madam Deputy Chairman, it poses a question of privilege.

THE DEPUTY CHAIRMAN: Mr Dahyabhai Patel, please continue your speech.

SHRI BHUPESH GUPTA: I want to say certainly the hon. Minister has the right to say it, but then he has to function under certain limitations of normal parliamentary practice and so on. Here he could certainly criticise his Party Member also, but what he said is not that. He said that she should dissociate with the Congress Party, go out and all that. The Rajasthan Member was threatened. Now, here it is not the A.I.C.C. or Jantar-mantar Road. He can criticise the hon. Member . . .

THE DEPUTY CHAIRMAN: You cannot make another speech now.

SHRI BHUPESH GUPTA: It is not at all proper. Such threats spoil the debate.

THE DEPUTY CHAIRMAN: Please let Mr. Dahyabhai Patel continue.

SHRI DAHYABHAI V. PATEL: Madam, I am sorry for the intrusion, but I think and I feel that many other

Members of this House feel that this is a matter of serious importance, of the privilege of a Member of the House . . .

SHRI MORARJI R. DESAI: You can take it up.

SHRI DAHYABHAI V. PATEL: and no Member of the House can be threatened by anybody in this House.

SHRI MORARJI R. DESAI: I have not threatened anybody.

SHRI M. P. BHARGAVA: Are we discussing Gold Control? (Interruptions).

SHRI BHUPESH GUPTA: You asked her to leave the Congress Party. Is there a greater threat than that?

THE DEPUTY CHAIRMAN: Mr. Patel, please carry on. Please speak on Gold Control.

SHRI MORARJI R. DESAI: I did not ask her to quit.

SHRI N. VENKATESWARA RAO (Andhra Pradesh): May I be permitted to say just one word? The Finance Minister said that she should go out of the Party and not out of Parliament.

(Interruptions)

SHRI MORARJI R. DESAI: I said whether in truth, if truth compelled her, it would be right for her to associate with people whom she condemned in this manner. That is all that I said.

SHRI BHUPESH GUPTA: The philosophical part apart, it was a clear threat if you say such things here. It can be said outside.

SHRI MORARJI R. DESAI: I will repeat it.

THE DEPUTY CHAIRMAN: Since no objection was raised on that day, I do not think it is quite right to raise

that now. You please continue, Mr. Patel.

SHRI DAHYABHAI V. PATEL: I think it is right for a Member to protest against this encroachment on a Member's right.

SHRI SURESH J. DESAI (Gujarat): Budget is a matter on which a Government even falls. Certainly the Finance Minister was in every way justified to pull up a Member of his own Party. There is nothing wrong in that.

SHRI BHUPESH GUPTA: I would not like Mr. Suresh Desai to be pulled up by him for making this remark.

SHRI DAHYABHAI V. PATEL: Now, Madam, the Gold Control Rules should have been framed in a little more practical manner. One point I mentioned was about the difficulty of knowing how ornaments are held by different people. But what about the people who make them? Has Government tried to make an estimate of how many people are in the trade? Making ornaments is not only the business of rich men in cities, rich shopkeepers, but it is a cottage industry in this country. You go to every village and you will find a small goldsmith sitting near his *sigri* and heating it and making it into shape. In every village in this country you have a couple of them, and more where the place is bigger. What is going to happen to them with this 14 carat gold? Where is the 14 carat gold coming from? How are they going to be taught to make this?

Madam, a large number of jewelers, big and small, from all over the country had been in Delhi last week explaining their difficulties. I hope the Finance Minister has considered their difficulties with a little more sympathy and that he is taking steps to give them some relief or announce some relief to them. What happens to the ornaments that have already been made? Does the Finance Minister

expect them to break them and make them again? There are ornaments made with imitation stones because precious stones have now become very expensive. Diamonds are not within the reach of the ordinary man. So imitation stones are used, and ornaments are made from gold of a higher purity with those stones. What happens to them? Are they to be destroyed? Is any compensation going to be paid to them?

Madam, while it is necessary to prevent the drain of our foreign exchange, it is not necessary to become so heartless as not to think of so many families all over the country who have been ruined, who have been ruined not in trade but who have no other occupation, who know no other occupation, who have been doing this only all their lifetime, who have passed their prime of life. What occupation will they learn after this? It is quite all right that you give education to a young man who is rising. You can tell him just to switch over to some other business, but what happens to the large number of them who have passed the prime of their life? What happens to them?

SHRI BHUPESH GUPTA: The West Bengal Government have given them Rs. 4 per month.

SHRI DAHYABHAI V. PATEL: Well, that is the unfortunate situation in this country. That is how the Government functions, and therefore aptly the Government was called 14 carat Government.

SHRI BHUPESH GUPTA: It is 2 carat gold. Why 14? That would be something substantial.

SHRI DAHYABHAI V. PATEL: Madam, I wish to affirm once again that it is not possible to change the habits of people by making laws. If the Finance Minister will not mind my quoting Gandhiji, I would say: "Controls give rise to fraud, suppression of truth, black market and arti-

[Shri Dahyabhai V. Patel.]
ficial scarcities." This is one more type of control. That is going to introduce all these evils. I am not worried whether somebody makes a little more profit or not on this. But all this undermines the honesty of the ordinary man. The ordinary honest man who wants to make a living is tempted to do wrong and break the law because he cannot afford to abide by this law. What happens to bigger people? Does Government not know who are the real smugglers and where the smuggling comes from? Does it only come through motor cars? Does it come only through ships? We have a large frontier on both sides. If the Government keeps its eyes open, I am sure the Government will be able to find who are the people behind them, who have been supporting them, who have been protecting them, and that is why anti-smuggling measures are not able to take sufficiently harsh and deterrent action. May I suggest that the hon. Finance Minister may turn some of his ferocity on the smuggler instead of on the poor honest man who is trying to make his living, the poor honest man who is trying to provide for a rainy day, or an honest Gandhian like Rajkumari Amrit Kaur who had the courage to speak up in this House?

SHRI ROHIT M. DAVE (Gujarat):
Madam, the gold problem that we are facing today is really the problem of diverting a part of the gold which is privately held today into the Government coffers. We are facing today a rather strange situation in which while the country has got a sizeable holding of gold looking into the per capita income and wealth of the country, as far as the Government is concerned, it has got very little gold. Any objective worth pursuing regarding the gold policy has to be objective of diverting a part of the gold into the Government exchequer. Judging from this point of view, so far the policy of the Government has abjectly failed. The Gold Bond Scheme which was expected to divert this gold from private into public ownership could not

achieve this object, whatever be the reason, and gold hardly worth about Rs. 8 crores or a little more has so far been diverted through this scheme from private into public hands.

It has been suggested that after mature consideration the Government has come to the conclusion that it will not be possible to deal with the gold that had already arrived in the country before the gold policy was launched, and therefore the Government has decided to concentrate attention on the future arrival of gold and to see that it is very limited in extent and that thereby valuable foreign exchange could be saved. If this be the correct interpretation of the policy of the Government, I am afraid it is a defeatist policy and will not serve the purpose which we have in view, namely, of strengthening our foreign balances which are required for more urgent problems like defence and development. All other wider issues like bringing about a big social revolution by changing the habit of the people by taking the entire gold of the nation into the hands of the state are to my mind quite wide of the mark. Our objective should be a limited objective, and we should find ways and means for achieving that objective. May I submit, Madam, that the objective should be to at least divert Rs. 300 crores worth of gold from private hands into the public exchequer, because that might ultimately give us a foreign exchange backing of nearly Rs. 500 crores, and that might help us in tackling the number of problems that we are facing as far as the international trade and international payments are concerned? If this is the objective with which the Rules have been framed, I do not think it is so very difficult to achieve that objective provided certain policy decisions are taken, and one of these policy decisions will have to be to take, compulsorily if necessary, a certain amount of gold from those who have bullion in excess of a certain quantity which might be prescribed. I may say that we have got the

Wealth Tax Act before us and under that Act a certain amount of wealth is being declared year after year by those who are liable to pay the tax and if a limit is prescribed regarding the wealth that might be held in the form of gold by people who are paying Wealth-tax and if the rest of the gold is diverted to a scheme like the Gold Bond Scheme, to my mind, it would be possible to divert a part of the gold from private ownership to public ownership and there would be no expropriation involved.

Much has been said about the price of gold which the Government is prepared to pay, namely, Rs. 62. But it is completely forgotten that under the Gold Bond Scheme, 6½ per cent. interest is being paid on the money which has been invested in the Gold Bond Scheme and after 15 years, it does amount to Rs. 125 per ten grams, which is a legitimate price which should be paid for gold.

SHRI DAHYABHAI V. PATEL: In rupees or in gold?

SHRI ROHIT M. DAVE: In rupees, of course. Why should it be paid in gold?

SHRI DAHYABHAI V. PATEL: There it is.

SHRI ROHIT M. DAVE: If gold is held above a particular limit, certainly such gold could be taken away by the Government after paying due and equitable compensation and, to my mind, the Gold Bond Scheme does provide equitable compensation and therefore there should be certain compulsions regarding this diversion of gold above a particular limit for being invested in the Gold Bond Scheme. If this could be done, we need not require a large number of investigations, a large number of agencies and a large amount of private information regarding the source of gold. We can always look to those legitimate returns which will already

have been submitted to the Government and we may decide on the basis of those returns, keeping in mind that we want not more than Rs. 300 crores worth of gold at the present moment for the public exchequer, and see that it is diverted accordingly. If that is not sufficient, a further limit should also be imposed on every individual and family who is not paying wealth-tax, in which case a ceiling might be imposed and any gold which is above that ceiling with those people, could again be compulsorily taken under the Gold Bond Scheme by the public exchequer and thereby ultimately the total of Rs. 300 crores could be easily achieved.

We have been told that the present policy will succeed in discouraging smuggling and will bring down the price of gold. The price of gold has come down to a certain extent but it is very doubtful how long the price will remain at the level where it is today. Even the present level of price is much higher than the international price and that gap will have to be bridged somehow or other. I do not know if the present deterrents that are involved in the Defence of India Rules would last indefinitely and if the price of gold will not shoot up again when these deterrents are no longer available. It is my impression that the price has come down today because of the fact that certain administrative measures have been taken by the Government and there is a fear in the public mind that the Defence of India Rules are so stringent that if the Government takes any action under those Rules, it will not be worth-while buying gold at black-market prices. But at the same time, it is worth remembering that gold is not changing hands even when the price has shot up to Rs. 115 or Rs. 120 per ten grams; gold is not changing hands even today when the price has fallen to Rs. 96 per ten grams, which is the last quoted price. After that, the price is not being quoted. The fact remains that people are still sticking to

[Shri Rohit M Dave]
gold in the hope that ultimately the price will rise, and as long as that expectation is there, as long as that expectation is fed on certain legitimate considerations on the part of those who are sticking to gold, it will not be easy for the Government to peg the price even at Rs 95 or Rs 96, and even if they succeed in pegging it at that level, it will not be worth while because the international price is Rs 62. Therefore, the question of price also has to be gone into

Similarly, there is the question of smuggling. Here again, to my mind, complacent conclusions are being drawn by the Government in thinking that because of this gold policy, smuggling has stopped. It has been argued that the price of the free rupee is appreciating, which is one of the indications that smuggling has at least decreased, if not completely stopped.

Here again, it is possible that it is not the gold policy but the travel restrictions which have been imposed under the Defence of India Rules which are responsible for this decrease in the smuggling activities. It is worth remembering why the smuggling takes place initially. The Government of India seems to have come to the conclusion that this smuggling can be explained only in terms of the disparities of prices, the international price and the market price in India. May I submit, Madam, in all humility that it is not such a simple matter as that? As Shri Bhupesh Gupta has pointed out, because of certain malpractices in trade a large amount of foreign exchange gets collected in foreign centres, and this foreign exchange has to be brought into this country in one form or another, and gold and diamond are the two commodities which facilitate bringing this accumulated foreign exchange into this country very easily, and therefore we find that there is so much of smuggling activity both in diamonds and in gold. As long as this foreign exchange goes on accumu-

lating in foreign centres, the question of bringing that accumulated money into this country will remain, and to that extent smuggling will continue in one form or another. It may be discouraged for some time but it will be very difficult to eradicate it completely as long as the other bigger problem has not been solved. Therefore, Madam, I would respectfully suggest that the gold policy, which has been announced by the Government and implemented by the Government, goes only up to a particular point but does not meet the requirements of the situation.

I would make only one point regarding the goldsmiths who are likely to be thrown out of employment, and I have done. Certain schemes have been announced to give help to the goldsmiths when they have to change from one craft to another, and it has been suggested that certain Government posts will be reserved for them, that they will be given certain amount of land—which is waste land—which they can develop and put to cultivation, that their children will be given preference in scholarships, etc. To my mind, such an approach to this problem is a wasteful approach. One does not expect a goldsmith to take a barren land and apply his skill and energy in order to cultivate crops on such a barren land. He has not got that skill, he is not trained for that, and he would make a mess of the thing if such a scheme is put into practice. A goldsmith, by the very nature of the job he is doing, is a precision artist. He has acquired the skill of precision, and the country requires a large number of crafts and skilled workers who have got this talent of working with precision. It would be better if these goldsmiths are trained for some such work wherein their accumulated experience, talent and skill can be made full use of, and it will be possible for them to contribute their best to the new trade or new craft they may be called upon to be

engaged in, and therefore no such wild scheme of all sorts of help to the goldsmiths, which are generally applied to the Scheduled Castes, the Scheduled Tribes or the economically weaker sections of the people, or to the soldiers who have suffered in war or to those who have suffered in political activities, etc., should also be applied to these goldsmiths. Such an *ad hoc* arrangement would be wasteful. It would be much desirable if more thought is devoted to this problem of giving alternative employment to the goldsmiths so that it may be possible for them to make full use of the skill that they have got, it may be possible for them to earn a decent and honourable livelihood in the new circumstances in which they are put.

Madam, I thank you.

SHRI SURESH J. DESAI: Madam Deputy Chairman, the hon. Finance Minister deserves all congratulations for the boldness and courage which he has shown in promulgating the Gold Control Order. It is an onerous task, an unpleasant duty and a thankless task, but the shoulders of the hon. Finance Minister are broad enough. He is courageous enough to face all unpopularity, to court unpopularity for doing what he thinks is right, what he thinks is vitally essential in the interest of the country. At this time all sorts of bogeys are being raised. It is said that there is social disturbance in the country; it is said that there is an unprecedented public agitation in the country. These are all bogeys. It is all wishful thinking. But all sorts of bogeys are sought to be raised. It is also said that the Gold Control Order has failed, that it has not brought out so much gold that was expected. Now, smuggling is going on in the country for decades together. The unproductive habit of investing money in gold is going on for thousands of years in the country, and the Gold Control Order has been promulgated just two months back, and you expect its results to be brought out immediately. This is all wishful thinking. There are interested parties who just want

to malign the Congress Party and just to cook up some agitation or other with a view to maligning the ruling party; it is nothing less than that. The difficulty with our people, Madam, is that there are so many people who are much interested to see that the Gold Control Order does not succeed. All spacious arguments are advanced. On the one side, it is said that the Government wants to take away all gold from the people of the country; that the Government wants to take away all the hard earned gold of the agriculturists. On the other hand, it is said that Government is not touching the hoarded gold stocks and there are all sorts of arguments advanced. We saw an exhibition of some of these arguments just now. Instead of valid arguments, instead of trying to be helpful in the task, a very thankless task which the hon. Finance Minister has taken on, instead of trying to be helpful, abuses are hurled, adjectives are hurled; they think that abuses and adjectives are good substitutes for arguments. There was an exhibition of it and we saw it just now, and these are all very contradictory arguments. These contradictory arguments arise, I submit, Madam, because of a deliberate misunderstanding of the Gold Control Order. The Finance Minister, time and again, has made it clear; in his speech also he has made it clear; in his statements also he has made it sufficiently clear; he has made it clear that there are twofold objectives of the Gold Control Order. He wants to stop smuggling of gold; he wants to reduce the demand for gold and to bring down the price of gold so that the unproductive habit of investing in gold is checked, is curtailed. These are all the objectives immediately, and these are objectives which are vitally beneficial to the country, and the Gold Control Order itself is very clear.

Now, let me deal with the second of the two objectives just now, about reducing the demand for gold and about bringing down the price of gold so that the unproductive habit of investing in gold is curtailed. Let me

[Shri Suresh J. Desai.] deal with that first. The Gold Control Order provides that only 14-carat gold ornaments can be made. Now these 14-carat gold ornaments, Madam, are the kind of ornaments prevailing all over the world. In most countries of the world costume jewellery is in vogue, which does not contain even one carat of gold. Ropes of pearls and necklaces of pearls, which you see in the necks of ladies, are all made of cultured pearls, and in other countries there is not this lure for gold, for 24-carat gold. And even the 24-carat was not pure gold. There was some adulteration in that also. After all there is some adulteration in that also and the Government wants that there should be some more adulteration for the benefit of the country; nothing else. Now, when this costume jewellery is in vogue in most of the countries, why should it not be in vogue in this country also? But I do appreciate that there are certain difficulties. For instance, in Jaipur all sorts of artistic enamelled jewellery are manufactured. In Tamil Nad, in Tiruchirapalli they make jewellery out of synthetic stones also. And with the 14-carat gold, the difficulties of making such jewellery are there, and certainly these difficulties are being looked into very carefully by the Gold Control Board—the Finance Ministry is also looking into all these difficulties, about refineries for 14-carat gold, etc. All these difficulties will be met. They cannot, of course, be met immediately. After all, no previous notice of the Gold Control Order could have been given to anybody. Then the very purpose would have been defeated. The Gold Control Order had to be promulgated immediately and these difficulties arise, and certainly these difficulties will be met.

Now, Sir, it is said at times that our womenfolk will not take to 14-carat gold. It is said like that. On the other hand it is said that they will take 14-carat gold ornaments in unlimited quantity so that the demand for gold will not be reduced. Now, these are contradictory arguments.

Either the womenfolk take to 14-carat gold, or they do not take to 14-carat gold, and if they take to 14-carat gold, then the social habit is changed, and the Gold Control Order is successful. And if they do not take to 14-carat gold, then certainly the demand for gold will be reduced. Then also the Gold Control Order is successful. After all these are contradictory arguments which are advanced from a facile angle irrespective of logic, with a view just to bringing down or to maligning the Government in whatever it is doing, in its doing something which is very essential for the country, something which is very vital for the economy of the country. Instead of understanding it, instead of trying to be helpful, people go on maligning it and trying to cook up all sorts of agitations just to make political capital out of it.

Then, I will come to the other point about smuggling. About smuggling everybody says that smuggling should be stopped, and everybody paid lip sympathy to that also, that smuggling should be stopped. Now we have got 14,000 miles of our coastline and our land frontier. After all, no Government can have a police force for 14,000 miles of coastline and frontiers. That would require a million men, or even if patrolling is resorted to . . .

SHRI M. RUTHNASWAMY (Madras): Fourteen thousand miles of coastline.

SHRI SURESH J. DESAI: You should have heard it properly. I said 14,000 miles is the coastline and land frontier. If you want exact figures, I will give you exact figures for these—9,435 miles of land frontier and 3,525 miles of coastline. Even if the Government wants to have patrolling done all over, it will require 5,000 jeeps going round all the twenty-four hours of the day.

Nobody can stop it that way. And if the Government comes forward, if the Customs Department comes forward with a budget for this purpose before this House, this House will refuse the budget to the Government.

After all, the Government had to stop smuggling in some way or the other. They have been trying to stop smuggling for a number of years. In 1959 when the Government found that our currency, which was a legal tender in the Persian Gulf countries, was changed into dollars and pounds and was being used with a view to purchasing gold, after a lot of negotiations they changed that currency and issued a special currency so that the smuggling of gold might be stopped. For a few months smuggling did stop. But after that they found a new racket developing. You see, Madam, there are thousands of Indians all over the world who have got some foreign exchange. I also agree with my friend, Mr. Dave, that there is secret accumulation of foreign exchange. The Finance Minister is trying to probe into that secret accumulation of foreign exchange. But certainly the Finance Ministry have to do something more. They should not be merely satisfied with making a probe into all this secret accumulation of foreign exchange. So, there are some people who go on accumulating foreign exchange, purchasing gold from that and paying to the relatives of these people here in India in Rupees. And the profit that they make on the smuggled gold here is utilised with a view to paying something more to these relatives who are here. The Government, surely, cannot round up these thousands of Indians all over the world. Certainly, the Government is trying to probe into all this secret accumulation. But that is not enough. The Government had to do something because the country is drained every year of Rs. 50-60 crores. And especially at this time of national emergency it was necessary that something should have been done. So, the hon Finance Minister took up the onerous and thankless task and he was bold enough to do that. Why should anybody object to that I cannot understand.

The second question that was touched was about the unemployment problem of the goldsmiths. About the

unemployment of goldsmiths, all the figures are given in a memorandum which has been circulated to Members of Parliament. It is said that their number is 5 million, and each one of them has got five dependents. That comes to $2\frac{1}{2}$ crores. That means that every tenth or twelfth person here is a goldsmith or a dependent of a goldsmith. So, all sorts of exaggerated figures are given. Even if you take the moderate figure of 4 to 5 lakhs, certainly we have all our sympathies with them. Nobody wants any person to be deprived of his livelihood, Nobody wants that any person should suffer. We have all our sympathy for them.

SHRI DAHYABHAI V. PATEL: Your sympathy does not feed their belly.

SHRI SURESH J. DESAI: At the same time, Madam, it is said that smuggling is going on and the Gold Control Order is not a success. It is also said that non-ornament gold is being transformed into ornament gold. That means that the goldsmiths are busy, they are not idle; that they are engaged in this nefarious clandestine business. Well, if you say that smuggling has stopped, then the Gold Control Order is a success. The Finance Ministry has certainly instructed the State Governments to do everything possible for the goldsmiths. We have all our sympathies for the goldsmiths. I will just mention a few things which the Government of Gujarat is doing. Because I come from Gujarat, I know what the Government of Gujarat is doing and I hope the other State Ministries will also be doing the same thing. The Government of Gujarat have provided free education for their children. No school fee will be paid by them. Free text-books will be given to them. Priority will be given to them in the distribution of cultivable land. Free loans will be given to them for buying sewing machines and ambar charkhas. Age limit for them for entering Government services will be raised.

THE DEPUTY CHAIRMAN: Is it a very long list? You must wind up.

SHRI BHUPESH GUPTA: It depends upon the Gujarat Government.

SHRI SURESH J. DESAI: The Small-scale Industries' Association, the Association of Engineers, the Federation of Gujarat Mills and Industry have come forward to help the goldsmiths and their children to be trained. Everything possible is being done by the Finance Ministry to help the goldsmiths. We have all our sympathies for them.

Here, Madam, I will ask one question of my hon. friends. Whenever there is a social transformation, whenever there is an economic transformation taking place in a country, after all, in the transitional stage certain sections of the society are bound to suffer. You pay lip sympathy in favour of all social transformation. But when it comes to the question of certain sections in the society suffering, you immediately raise a hue and cry.

SHRI BHUPESH GUPTA: May I know how much gold has come from the Maharaja of Baroda? He also belongs to Gujarat.

SHRI SURESH J. DESAI: That is none of my business.

SHRI BHUPESH GUPTA: It should be the Gujarat Government's business.

SHRI SURESH J. DESAI: I will ask Mr. Bhupesh Gupta one thing. In Russia, after the Second World War, Stalin transplanted a large number of people from the Ukraine in other parts of the country. The estimated figure was 10 million people. Where is the large middle class of China today? Where are the zamindars of India? Where is the landed aristocracy of India? When a big social transformation takes place, such a thing does happen. Step by step we are advancing towards socialism. In that

process, certainly, certain sections of the population are bound to suffer for the time being. But steps will have to be taken to see that they are gradually rehabilitated.

THE DEPUTY CHAIRMAN: I think that is enough, Mr. Desai. Mr. Mani.

SHRI SURESH J. DESAI: Only one sentence and I have completed . . .

SHRI A. D. MANI (Madhya Pradesh): I have been called. Madam Deputy Chairman, at the outset in intervening in this debate on this motion, I should like to say that I am in general sympathy with the objectives of the Gold Control Order. But my grievance against the Government is that the manner in which this Gold Control Order has been clamped on the country, it has caused a good deal of untold hardship.

Madam, I quite agree with the Finance Minister that there is, in this country, a fatal fascination for gold. But unfortunately this fatal fascination is also shared by the International Monetary Fund whose meetings the Finance Minister attends quite often. I would like the Finance Minister, when he goes to the next meeting of the International Monetary Fund, to appeal to the Directors to give up their love for pure gold and to have only 14 carat gold. Unless the International Monetary Fund is converted to the 14 carat gold idea, it is not fair to expect that the people of India, because an order has been passed by the Government, would immediately accept 14 carat gold as a sign of distinction.

SHRI AKBAR ALI KHAN: Nowhere in the world they use pure gold for jewellery.

SHRI A. D. MANI: I am very glad that my hon. friend Mr. Akbar Ali Khan, has raised this question. He has been to the West. He has stayed for long periods of time in London.

SHRI BHUPESH GUPTA: He comes from Hyderabad.

SHRI A. D. MANI: Hyderabad is not London. Madam, you have been to the West and so also many Members of this House. I can tell hon. Members of the House that the love for gold in the West is as intense as it is here. The only thing is that they have not got enough money to purchase it. Let any one Member of the House offer a 22 carat gold bracelet to an English lady or a Western lady and let a simpler offer of 14 carat gold be made to her. I am certain that the person offering a 22 carat gold necklace will be viewed with a little more affection than the person who offers a 14 carat gold necklace. Let us not ignore the fact that 22 carat gold is valued all over the world.

Madam, my objection to this Gold Control Order is . . .

SHRI BHUPESH GUPTA: Is Mr. Mani speaking from personal experience?

SHRI A. D. MANI: Why should you ask me when other hon. Members are here? My objection to this Gold Control Order is that it should have been preceded by public education. It should have been made an election issue. The verdict of the people should have been sought in a general election on this issue. I have seen the Congress Party manifesto which was issued at the time of the general election. There is no reference whatever to the desire of the Government to control gold. If this had been put before the people, and if the Congress Party had made it an election issue and secured victory at the polls, they would have had more justification for coming forward with the Gold Control Order. No other Party . . .

SHRI BHUPESH GUPTA: We did.

SHRI A. D. MANI: You raised it? But I am glad you were defeated.

SHRI BHUPESH GUPTA: Twelve million votes we got. Therefore . . .

SHRI A. D. MANI: The Finance Minister was formerly the Chief Minister of Bombay and I watched with admiration at the time he was Chief Minister, the way in which he brought about prohibition. Prohibition was brought about in four stages. He started with one dry day a week, two dry days, three dry days and it was explained by him at that time that this slow process was designed in order to enable those who would be affected by prohibition, to find alternative employment. What the Finance Minister did as Chief Minister of Bombay to liquor, he unfortunately has not done to gold. It is necessary for the House and for the Finance Minister to understand why the people have attached value to gold. I am sorry to say this. It is the devaluation of the rupee, in terms of cost of living, in terms of purchasing power in other words, the taxation policy which his Government and he have followed and which has led to a rise in the cost of living, that is responsible for the love that the people have for gold. There is no escaping away from the fact that people attach a little more importance to gold because that seems to be the only safe reserve and, as I said, the International Monetary Fund too is not prepared to accept any other standard except the possession of gold. Whereas these orders have been brought into force, I can say that we have started for the first time this process of education but then the Finance Minister should take into account the fact that he has imposed without Parliamentary sanction a form of wealth-tax on those people who hold gold and who purchased it at prices higher than the international price. The wealth-tax is levied only on certain categories of wealth. Below those categories people are exempted from the Wealth-tax. But in this wealth-tax, which is implicit in the Gold Control Order, the taxation falls on those poor people who have been hoarding gold as a sort of reserve for a rainy day and who find (Interruptions) Yes, because your prices are going up, your monetary

[Shri A. D. Mani.]
policies are chaotic and therefore they have to depend on something for a rainy day. Whether it is good or bad . . .

SHRI ARJUN ARORA (Uttar Pradesh): Those people cannot make two ends meet because of the rising prices . . .

SHRI A. D. MANI: People who have held gold as a reserve, as a sort of inheritance . . .

(Interruptions.)

The Finance Minister has taken away 100 per cent. of their holdings in the form of concealed wealth-tax on gold hoardings. I want him to take this aspect into consideration.

My concrete suggestion to him would be that this process of education must continue for a longer time. I quite realise that the country requires gold and that the gold smuggling should be stopped, but I would request him to amend the Gold Control Order in order to permit gold ornaments to be placed at the Reserve Bank for an indefinite period of time at the international price. The present load of taxation, which he has presented just now in his Budget for the country, is so heavy that at some stage people will be forced to pledge their ornaments to pay the taxes. Let at least this opportunity be given to the people of this country that they pledge the ornaments for sale at the Reserve Bank at the international price. I am prepared to accept that the Wealth-tax is reducing the difference between the international price and the present ruling price of gold. It has become very hard for people, because of the chaotic confusion with which this Order has been promulgated, to know what the Gold Control Order is today in this country. My first suggestion is that, as far as ornaments are concerned, there should be an indefinite period for their being offered for sale at the Reserve Bank at international prices.

My second suggestion would be that he need not make the 14 carat issue a prestige issue for the Government. I consulted many jewellers who came to Delhi recently and whom we met privately and we discussed with them their grievances and I put it to them whether they would accept 18 carat gold as a substitute for the present position and their answer was that with 18 carat gold, they would not be very much out of business and that gold ornaments of very fine quality can be made out of 18 carat gold. I hope the Finance Minister would not regard the issue of 14 carat an issue of treason for the country, because he did say that any person who buys gold at the present stage, when this country is facing an emergency, is committing an act of treason. I hope the difference of 4 carats between 18 carats and 14 carats would not be considered by him as an issue of treason under the D.I.R.

The third suggestion I would make is, since the public sector is expanding in many directions, why cannot the Government consider the question of setting up a public sector gold ornaments factory? I am not putting it in a light-hearted or facetious sense of the term or to pull the leg of anybody but really seriously . . .

SHRI DAHYABHAI V. PATEL:
Only polished brass will be left.

SHRI A. D. MANI: Whatever it is... (Interruptions). Since he has been urging at various places that ornaments of good quality can be made of 14 carat gold I am saying, why not set an example by having a small factory in every State capital where gold ornaments of 14 carat purity or 18 carat purity can be made?

The other question of the employment of the goldsmiths, who have been thrown out of employment, should be taken into account. I may tell the Finance Minister that if the D.I.R. had not been in force, his Gold Control Order would have been already stuck down by the Supreme

Court as unconstitutional and illegal. The people of this country have certain Fundamental Rights guaranteed by the Constitution. The Finance Minister, by his policy, has deprived them of employment. He deprived them of the right to employment which is inherent in the Directive Principles of State Policy which form a part of the Constitution. Now I would appeal to him that he should consider the question . . .

SHRI BHUPESH GUPTA: He knows that the Directive Principles are not enforceable . . .

SHRI A. D. MANI: Some principles are enforceable. Prohibition is enforced but not this. Every person born in this country is entitled to expect employment and a welfare State must provide employment to those who do not have the opportunity for it. At the present time a large number of people, who have been dependent for generations on this trade, are out in the streets and I would like to ask the Finance Minister whether the C.B.R. or the Gold Control authorities have worked out the implications of the present Gold Control Order. I am told that Rs. 50 crores worth of gold is being smuggled but I am also told that Rs. 10 crores are paid as income-tax by the goldsmiths. What is the plus and minus in this balance-sheets? We lose money in one direction and we gain money . . .

SHRI MORARJI R. DESAI: You seem to be very funny today.

SHRI A. D. MANI: Because the Gold Control Order is funny. It makes it funnier for any person to discuss it. I would like to make one more suggestion about the question of manufacture of gold ornaments.

SHRI BHUPESH GUPTA: Do you think the reply will be funnier?

SHRI A. D. MANI: Maybe the funniest part may be the reply. I would like to make one suggestion about the making of gold ornaments.

I saw recently a sample of a vanity case made by a Jaipur goldsmith. It is a work of great beauty. It was done in enamel. It has been given a colour, and the man said that it could never be made in 14 carat gold and it is made for export purposes and the value was Rs. 14,500. Very few can purchase it, not with the present rate of taxation, unless one of those black-marketeers, whom my friend, Mr. Gupta, mentioned, as riding in a motor-car, the famous industrialist, who was caught and gold bars were taken out, unless that man offers to purchase, unless there are people of that kind. They are not going to be interested in this. Please do not kill—this is my request to the Government—the curio industry in India, because this has been the work of generations of Indian craftsmen and it is going to get you foreign exchange. At least for that purpose the Government should release gold for making curios under their strict supervision.

I would like to make one more point about the use of gold and that is for making of *thalis* or *thirumangalyams* in gold and *mangal sutras* and wedding rings. In spite of all the admonitions of the Finance Minister and the Government to give up the love of gold, nobody likes to think in terms of stainless wedding. But whenever we speak about weddings, we talk of golden jubilees and silver jubilees. Why do people make use of such expressions? Why not they speak of "plastic" jubilee? Why not use the term "stainless steel" jubilee? It is because gold is associated with our tradition, with our way of thinking. I would like to make one request. The number of persons, who get married and who can afford to go in for gold for this purpose, is very limited. Not everybody can afford to go in for a gold "*thali*."

AN HON. MEMBER: Why marry?

SHRI A. D. MANI: Let them get married. All people are entitled to their happiness. And people do go in for a gold ring or a gold *thali*, because

[Shri A. D. Mani.]
this is part of our religion and our tradition. Now, I would request the Finance Minister to issue permits just as permits are being issued for the use of scooters and motor-cars. (*Interruptions*) These suggestions are made after careful thought.

SHRI AKBAR ALI KHAN: Question.

SHRI BHUPESH GUPTA: At least we get an idea of your thoughts.

SHRI A. D. MANI: I mean in the case of genuine demands, in matters concerning religion, our weddings and so on, there should be some kind of concession.

I would say a word about the Gold Control Board, which is relevant to the subject under discussion. The qualifications of Mr. Kotak, the Chairman of the Gold Control Board, have been the subject of many interpellations in this House and when the Finance Minister said that the allegations against him were false, I accepted it, because I have no doubt that Shri Morarji Desai will never engage a person whose qualifications are of a doubtful character. But I would ask him and Mr. Kotak to bear one point of view in mind that there is something like the principle that justice should not only be done, but it should seem to be done.

SHRI DAHYABHAI V. PATEL: Caesar's wife should be above suspicion.

SHRI A. D. MANI: Why speak of other people's wives as part of it? I wanted to bring in this question of justice being done and done in a proper way. In the case of Mr. Kotak I put the question to the Finance Minister, asking him whether Mr. Kotak resigned his post as Minister in the Saurashtra Government for negotiating a private deal in Japan and the Finance Minister denied the allegation. I myself was not sure of it. I wanted information and I am sorry I

put that question to him; because in fairness and decency of parliamentary life, if a mistake is made, that mistake must be flatly admitted. I made further enquiries and I understand that the deal was struck after he left the Saurashtra Government, when he went to Japan in another capacity and he had a right to conclude the deal. But the volume of evidence that is available shows that Mr. Kotak was part of this concern, whether the dominating part or the passive part, it is for the Finance Ministry to decide. But he was part of this concern. I would not request the Finance Minister to ask Mr. Kotak to resign. He would not do it because he did not make a wrong choice. But Mr. Kotak himself, in view of so much criticism of his connections and his antecedents, should make it easy for the Gold Control Order to be exercised properly by offering to resign himself. If the Finance Minister examines parliamentary practice, he will find that whenever a person has been the subject of acrid controversy, he has agreed to resign and said that in the public interest and in the interest of public policy he was resigning. He resigns with a clean record. We make no allegations against him. The fact that a number of people doubt his qualifications for being an impartial chairman of the Gold Control Board itself should make him offer his resignation to Government and help the Finance Minister to choose somebody who would be free from controversy.

Madam, I would conclude by saying . . .

AN HON. MEMBER: One word?

SHRI A. D. MANI: Many words have been said. I have to say a few more words before I conclude. I say that the Government has embarked on a very bold policy. This policy I want to succeed. I am not one of those who run down the Government's policy because it happens to come from the party in power. But this policy should be worked out slowly

and there should be a little accommodation in regard to the enforcement of this policy. Till the other day we loved gold. We called little girls after the name of gold—Swarna—and all that. And now we are saying gold should be a term of opprobrium.

AN HON. MEMBER: Fourteen carat gold.

SHRI A. D. MANI: You want fourteen carat gold? Whatever it is, I say this ought to be done slowly and I would request the Finance Minister that whatever accommodation is possible, in regard to the adjustments of penalties and so on, he should give in a liberal and generous way. As I have said, people have been taken without warning. If in a general election, this had been an issue, then the Government could have come with the moral authority to push through any legislation of this kind. But this has not been done and since no warning had been given, it is only fair and prudent that the Government should go slow with regard to penalties as far as the Gold Control Order is concerned.

THE DEPUTY CHAIRMAN: Mr. Arjun Arora. You have only ten minutes.

SHRI ARJUN ARORA: I will take only nine.

Madam Deputy Chairman, I rise to support the Gold Control Order. The Gold Control Order has behind it a very good idea, but my only sorrow is that that a very good idea is being very badly executed. Smuggling of gold had become rampant before. Long before the Chinese aggression, the smugglers had invaded our country and something should have been done by the Finance Minister on these lines long ago. But it was at a very late stage that he began to move and the first move of the Finance Minister was to issue the Gold Bonds. That, as has been pointed out in this House and elsewhere, has miserably failed. People, who had gold, were not pre-

pared to buy the gold bonds. Then the Gold Control Order came. The idea behind the Gold Control Order is, as I admitted, a sound one. Nobody has the right to sacrifice the interest of the country and to rob the country of foreign exchange merely because of some superstitious belief or because he or she finds gold attractive. But I am afraid the Finance Ministry is bringing in this measure in a half-hearted manner. Declarations of non-jewellery gold have been made, but there is no provision for confiscation, no provision for taking over, no provision for buying over the gold which some people have hoarded and not declared. As a matter of fact even declared gold, where it is in excess of a reasonable quantity, should in one way or the other be taken over by the Government.

SHRI MORARJI R. DESAI: The Order provides that if any gold is not declared and it is found, then it will be confiscated. It is provided. Why does the hon. Member say it is not provided?

SHRI ARJUN ARORA: Even declared gold, when it is in the possession of an individual, if it is more than a reasonable quantity, the Government should be able to take over, buy over at a reasonable price.

SHRI BHUPESH GUPTA: The Maharaja of Darbhanga had 11 maunds of gold and other maharajas would be having many more maunds of gold.

SHRI ARJUN ARORA: As a matter of fact, I am afraid the Finance Ministry is not clear on its own policy. Does it want merely to stop the smuggling of gold or does it want the gold in order to have a gold reserve and in order to buy materials for the national defence? If the idea is merely to stop smuggling, perhaps to some extent, the present policy may succeed. But if the Government thinks that this is necessary for national defence then these declarations and the absence of any provision for action

[Shri Arjun Arora.]
against the big holders will not help the Government and this policy.

The achievement of the Gold Control Order so far has been that the rich holders of gold have not been affected, they are not afraid. They know that they will be able to escape but the poor and the middle class people, who have some gold, have lost all confidence and the people who have some little pieces of jewellery are in panic because of the fact that the Government does not move; that the Gold Control Order has no provision against big holders is very well known. It is, of course, not correct to expect Government to give up a policy merely because some goldsmiths will be unemployed. In a social reform, in any drastic change, some suffering is bound to exist. It would have been much better if, as soon as the Gold Control Order which, as the Finance Minister said the other day, was issued after long deliberation, the Finance Ministry or the Government had come out with a scheme simultaneously to rehabilitate those people who are likely to be or who have been rendered unemployed because of this Gold Control Order and there would have been greater appreciation. Today, what is happening is that the Finance Minister says that it is the business of the State Governments, and the State Governments, except the Government of Gujarat which had been praised by my hon. friend, Shri Desai, seem to feel that these goldsmiths are the babies of the Finance Ministry who should look after them. There is no co-ordination, no all-India scheme for their rehabilitation. So, I feel, though the number of goldsmiths is being exaggerated, there is a great deal of suffering in a section of our people and something should be done about it.

I am in agreement with my hon. friend, Mr. Mani, about the Chairman of the Gold Control Board. I do feel that in a matter like this, where public confidence is of utmost importance,

no controversial figure, at least a person who has figured in a foreign exchange case, should be at the head of the authority and I join Mr. Mani in hoping that Mr. Kotak himself who, according to the Finance Minister, is a very good man, will see the light and will see the strength behind the dictum that those in authority should be, like Caesar's wife, above suspicion and that he will resign. If he does not, the Finance Minister will change his mind in this case and put a more respected person at the head of the Gold Control Board.

There are other complications arising out of the Gold Control Order. A number of shopkeepers, jewellers have ready-made jewellery and under the Gold Control Order they are not permitted to do anything with them. They cannot expose them for sale though they are allowed to export them and earn foreign exchange. I feel that it will be difficult for them to export the jewellery unless they are allowed to expose them for sale. After all, the foreign tourists and others who come, will not be attracted by the jewellery unless it is displayed for sale and if the Gold Control Board permits the export of jewellery, it should also permit the sale of jewellery in this country against foreign exchange because the foreign tourists, who come to this country, are many a time attracted by the precision work and the work of art.

SHRI MORARJI R. DESAI: Madam Deputy Chairman, I was hearing with great attention the views put forward by hon. Members on the Gold Control Order and its working and I was wondering whether my hon. friends have really paid attention to what is sought to be achieved by the Gold Control Order and the policy behind it which has been framed by Government. If, instead of the enthusiasm of some to run down the Government on any occasion, whether right or wrong, which had been occupying their attention, they had really been guided by considerations of public good, I am quite

sure several things, which have been said, would not have been said. My hon. friend, Shri Mani, who generally tries to be objective and expects that he should be considered objective, seems to have lost completely the sense of proportion in making his suggestions. He even went to the length of saying that the International Monetary Fund has love of gold. Now, if this is the extent to which he goes, I do not think it is even necessary for me to analyse his arguments because they are so absurd. I do not understand how a man of his responsibility and gravity could talk so lightly of the International Monetary Fund when he knows that they have not kept gold for the love of it. He knows the rules of the International Monetary Fund and these are necessary for exchanges between different governments. Therefore, he need not try to be so funny or humorous in this matter. When I said that this was funny, he thought I was abusive and so he tried to say that the Gold Control Order was funny. If it is so funny, he need not have wasted his breath over it. I do not see why he should have been so much exercised over it in that case. All this being exercised over it and going at the Finance Minister or the Finance Ministry and Government was not worth it. Therefore, may I request him to behave as objectively as he behaves in private conversations? Let him not assume a different shape in public from what he does in private. These are two different stages which I am not used to taking and, therefore, I got a bit worried about it and hence I am not giving him this friendly advice. He may take it or he may not.

SHRI A. D. MANI: I would not like to interrupt but if the Finance Minister would yield . . .

SHRI MORARJI R. DESAI: I will yield; I am not like you.

SHRI A. D. MANI: I would like to say that my reference to the International Monetary Fund was just to

highlight this point that the love of gold is not an Indian shortcoming. I know it is used for currency reserve.

(Interruption).

SHRI MORARJI R. DESAI: I do not see the highlighting to be done in this manner. At any rate, if this is a great Parliamentary tradition that he is establishing, well, he has only for a few years been in Parliament and, therefore, probably he is not aware of all that. That is all that I can say. I have much longer experience of Parliamentary life and therefore I am saying that if we want to raise our Parliamentary life to certain heights, then we ought to be able to consider these things more deeply rather than so lightly as he seemed to do in this particular matter. That is all the purpose of my saying what I have said. My hon. friend, Shri Dahyabhai Patel, thought that I was in anger. There was no question of anger. There was more sorrow and pain in what I said. Where was the question of anger and why should I be angry with him or anybody or with my hon. friend whom I have always treated as an elder sister but duty compels one to say things and simply because I am not a Member of this House I do not lose my right to give my opinion when others give their opinion about what we are worth. We are certainly bound to say what it means and that is all that I said. Therefore what is the use of bringing in things like that? If it was really a question of privilege it should be raised as a question of privilege and I will be content to defend myself. I have done nothing which I have got to withdraw. I am going to repeat the same performance again if an occasion demands it because I do not think I have done anything which is either unparliamentary or which is not in keeping with the highest parliamentary traditions.

Coming to the Gold Control Order and its criticism, I should therefore like first of all to put before my hon. friends in this House the intentions

[Shri Morarji R. Desai.]
 of Government or the objectives with which we are pursuing this point. I was asked whether it was my intention to collect a lot of gold in order that we may strengthen our economy and in order that we may be able to make our foreign purchases. I should certainly be happy if I am able to gather or collect the gold, which is in this country, in a proper way. If people are willing to part with it and give it to me, I should certainly like to have it but if they do not, I would not do anything wrong to take it from them or to force it out of them because that is not the only way for strengthening the economy. After all, even if I get Rs. 300 crores or Rs. 400 crores worth of gold, that is not going to satisfy my requirements. It certainly gives me a deposit which I can keep and which enhances also the credit but my requirement, in the Third Five Year Plan, of foreign exchange is Rs. 2600 crores. Therefore even if I get this, that is not going to solve my problems, but that is not my intention. Of course, it is certainly the intention of Government to see that gold is not kept by any private parties in future and that all the gold, that is in this country, should remain with Government as reserve. That certainly is the objective but that objective does not mean that Government is going to confiscate any gold or if somebody has gold, to force him on pain of jail or anything to part with his gold to Government for a price. That is not the intention of Government. My hon. friend, Shri Dahyabhai Patel, said that people do not believe this. I know that he in his heart of hearts knows very well that this Government is not going to do anything of the kind. Nothing has been done like that so far for anything. I do not know how he says this and makes this statement. Of course, he wants to see that the credit of the Government disappears. Well, as an opposition Member he is entitled to wish for that but if wishes were horses everybody would have ridden them but unfortunately every wish

can't be made a horse. This Government is grateful to him and to all other Members of the House who criticised it very strongly because, after all, from every criticism we do strengthen ourselves by keeping what is good in it and rejecting what is wrong in it. After all, that depends upon our capacity to do so. We do not claim all the capacity for good and therefore we certainly want to benefit by all the suggestions that may be given to us but every suggestion that comes is not always good. I do not think my hon. friends have the monopoly of all the good things nor have they the monopoly of all intelligence. After all, some intelligence may be granted here if not as much as they possess, at any rate some proper measure of it. Therefore, what is the use of talking in this manner, I do not know. The main purpose, the main objective with which this is being done is to stop smuggling and also to prevent wastage of investment that is taking place here as a result of traditions which may have been very good in the hoary past but which are absolutely out of keeping with the present times and with the present economic ideas of anybody who has any commonsense.

Then the problem comes whether it is possible to attack it by means of a law, whether we have made sufficient education or not or whether we should make sufficient educative propaganda or not. These are questions which are to be fully considered, not in an abusive manner or in a derisive manner or in a funny manner. After all, I have been saying for the last four or five years that I am thinking about what is to be done about gold and I am being pursued by hon. Members in both Houses. I was asked every time why I am not taking any step about gold and gold smuggling and I went on considering it. It is a difficult subject and therefore I did not want to plunge myself in a hurry into anything but there was sufficient warning given to all people. It was said here that suddenly this was done and therefore some people

have suffered. I have great respect for the study and the sincerity and integrity with which my hon. friend, Mr. Santhanam, deals with every subject. In this matter also he was very much worried about the loss caused to several people because of the deflation that takes place in the value of gold. What happens when there is deflation in the share market? Many people lose their money, I am not responsible for it. I do not go and compensate them for it. Nobody can compensate them. There are ups and downs in values in many things, in cotton, in grain, in several other things and if people keep them and lose money, what am I to do? And in this matter all people know that gold is not produced in this country and if every year Rs. 40 crores or Rs. 50 crores worth of gold comes in through smuggling, everybody knows it. Everybody knows that it comes in an illegitimate manner and if people go on purchasing it, after all, they take a risk and for that risk they alone can pay, not the Government. That has got to be understood by everybody. And what happens if smuggling is stopped? Supposing, not by this method, but by any other method I stop smuggling, nobody will object to smuggling being stopped. Everybody says that it is his desire to stop smuggling. I do not think there will be any courageous man who would say that he wants smuggling here in any form. If that is so and if smuggling is stopped what happens to the goldsmiths then? Am I responsible for it? I am only doing this; I am not doing anything else. If I put an alternative of 14 carat gold it is only in order to see that their business does not stop. Otherwise I am not going to supply 14 carat gold. Where have I got the gold? I have no gold and I am not going to supply it to anybody. But if people sell their gold and if it is converted into 14 carat gold, they can go on making more ornaments from that gold that is there.

Then it comes to this that this Government is 14 carat gold. Well, I

wish my hon. friend is 100 per cent. gold. If my friend is 100 per cent gold I am proud of it and he may be ashamed of me if I am 14 carat gold; it does not matter. But what is this 100 per cent. gold in this country? The 24 carat gold itself is not pure. That is also adulterated and if there is adulteration whether it is small or more, I do not know what difference it makes. Here again, we are losing the sense of proportion. Adulteration can be considered only when a thing is sold as being cent per cent of what it is, when it is not cent per cent. Twentyfour carat gold is sold as twentyfour carat gold.

Fourteen carat is sold as 14 5 P.M. carat gold. Therefore, there is no question of adulteration in it. There is no question of inferiority or superiority in it. If 24 carat gold can be purchased for a certain amount of money, then far more quantity of 14 carat gold can be purchased for that amount. Therefore, it should be considered from the point of view, of different quantities and not by 14 carat or 24 carat. These carats have not come in only now. These are from old times. I find even in Kautilya's *Artha Shastra* that they had considered sixteen different varieties of gold. And Kautilya also had, as long ago as 2,000 years ago, prescribed rules whereby gold could be regulated, whereby gold ornaments' manufacture could be regulated. He has gone to the length of saying that when the Government face any emergency, they can take away gold and ornaments from the people. I do not think that this is a thing which should either be believed by the Congress or by those who believe in policies in which you believe. But what is the use of saying that this is something new, which is happening now? These things have happened before and if one reads it, even here it is said that when gems are to be studded in gold, they should be in half gold and half copper mixture. It is less than 14 carat. It is not even 14 carat gold. Here some people began to tell me that gems cannot be studded in anything except 22 carat gold or 24 carat

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gold. This is said by Kautilya. It is not said by me. Therefore, there are many things like this from which, if they are studied if anybody wants to understand, it will be found that by exposing ignorance one does not do any good to any cause.

Now, let us examine what has been done and see how we have failed or not failed. What is the meaning of it; "We have failed; smuggling has not stopped."? It is only a complacent attitude as my hon. friend, Shri Rohit Dave, said. Then, it was argued also in a very strange manner—not by him, I do not remember whether he said it or somebody else said it but it was said—that smuggling does not take place in this country because of the high price of gold, but takes place here because of the deflation of the rupee. I think my hon. friend, Shri Mani, said that. I do not see the deflation of the rupee which perhaps he wishes that it should be. I do not know what he gains by it. There is no deflation of the rupee in that sense.

SHRI A. D. MANI: I would like to know, in terms of cost of living, why do people attach importance to gold.

SHRI MORARJI R. DESAI: I do not want any explanation from him.

THE DEPUTY CHAIRMAN: I think, Mr. Mani, you better listen.

SHRI MORARJI R. DESAI: I do not know. I will yield every time they want me to yield, provided they are prepared to sit here till 7 o'clock. I have no objection. I am prepared to go on yielding every time they want to ask, because I do not want to stop any hon. Member from exercising his right. Therefore, when you talk like that, what is the meaning of it. Then, what happened before? What happened in 1945? Smuggling is going on since 1945-1946, since gold has been stopped from being imported. But what was happening before that? Be-

fore the War, for ten years gold went out from India. There was no question of its being smuggled because the price here was low and the price outside was high. And, therefore, gold was smuggled out. Today, why is it being smuggled in? It is because prosperity is rising. People want, therefore, to buy gold. Because no gold is obtainable here, gold comes in by smuggling. Smuggling goes on in various ways. Then, I am asked. Why is Government not able to stop smuggling? Well, it is a very strange question which can be asked only from Members opposite. I do not think it can be asked by them if they were here in Government. They know what happens in the matter of smuggling. Smuggling is not only of gold but also of other things, I grant. But smuggling of gold is to an extent which is disastrous to us. Smuggling of other things may be worth only about Rs. 2 or Rs. 3 crores. It cannot be more than that because those things cannot be smuggled to a larger extent. Smuggling of gold can go on increasing. It has gone on up to Rs 40 or Rs. 50 crores and it goes on more as prosperity increases. Now, what happens as a result of it? Not only does our valuable foreign exchange get lost and we get a liability, but Rs. 40, Rs. 50, Rs. 60 crores of savings of the people are sunk in an absolutely uneconomic investment. The country loses its capacity of investment for productive purposes. Can this country, which is so poor, afford to lose that much amount per year for investment either for industrial purposes or for agricultural purposes? I would plead with hon. Members to consider this point far more seriously if they have the good of the country at heart and not merely a dislike of the ruling Party or of the Government which they want perhaps to remove. They are entitled to wish that. I have no objection to that. It is perfectly right in a democracy. But after all even in removing the Government they would want to do good to the people. It is not for the pleasure of removing Government that they want to remove

the Government. Then, let the good of the people be the criterion and not merely a dislike of the Government. That is what I am trying to plead with them. After all, do they wish a rising amount of money invested in gold in this country every year? What will happen? That can happen when this country is rolling in wealth.

I was asked. Why are we having golden jubilees, golden this and that? Well, that shows what havoc tradition can play. Why is it forgotten that gold is also considered a curse? We have said it in the past and it was also considered as a saying:—

“सर्वे गुणा : कां वनम् आश्रयन्ते”

Do people believe that? Is it right? What kinds of virtues are in gold? What is the use of saying this? Therefore, it is no use being carried away merely by notions of traditions. Then, I am asked: Can traditions be broken by a law like that?

श्री गोपीकृष्ण विजयवर्गीय (मध्य प्रदेश):
कहावत है कि सोने में कलियुग निवास करता है।

SHRI MORARJI R. DESAI: Strange-ly enough it was argued and Mahatma Gandhi was quoted that all controls bring in evil. The controls to which Mahatma Gandhi referred were controls over foodgrains. It was nothing else. Mahatma Gandhi himself had said that if he got the Government, the first act of his would be to have prohibition immediately by law. He believed in controls. He believed in controls by Government, but a democratic government he did believe in. Not that he did not believe in it. Why should Mahatma Gandhi be quoted wrongly? Therefore, it is no use bolstering up a case by a wrong quotation. Have no reforms been made by laws? Throughout the ages it has been done. If Kautilya is read, it will be found that he has suggested all sorts of controls in the hoary past. Today in our own times how many reforms

have we not made if we go on counting from 1946 until now? Have we not changed the Hindu Code? Have we not given the right of inheritance to girls and to women? Was it not by law? Have we not changed the age of marriage? There were child marriages here in this country. In my own young age that was so. I myself have suffered from child marriage, that is, I had child marriage, not that it has made me unhappy. But it was there. In those days and even earlier, people were married at the age of two and three. This was what was happening in this country. Would it have been changed if there had been no law? It is the law which transforms the whole thing. Earlier than that there was the custom of Sati. What happened to it? How was it abolished? It was abolished only by law. Otherwise, it would not have been abolished. In the same way there are many other things which we have done by law. We are going on changing the laws about land. We have changed zamindari. We have removed kings. We have removed so many things by law. And yet it is said that we cannot remove anything by law. Of course, it is not argued by my hon. friends, the communists. They always want to take away everything, not only by law, but even by force if they can help it. They cannot help it and, therefore, they do not do it. If they can help it, they would also like to seize these Benches by force. But they cannot have that strength. They cannot have that atmosphere. They cannot do it. But I set them apart in this matter. But if those, who believe in democracy, think that changes in society are not to be made, what is the good of Government—to be static to carry on old but wrong traditions? We have been changing the society every day. What is the use of saying that the society cannot be changed? As I said, if in economic matters we are going to be bogged down by wrong notions of traditions and I am going to be asked to give up prestige, I think it is nowhere within sense. I have no sense of prestige at any time

[Shri Morarji R. Desai.]

I do not believe that prestige can be maintained by sticking to a wrong thing. If I am convinced that this Gold Control Order is wrong and is harmful to the country, I would give it up in no time. But I am not convinced about it. Not only that, the more I hear my hon. friends the more I am convinced that this Gold Control Order is essential, and if any criticism is true, it is this that it is not yet strong enough. I agree with that. But when all this is said and done, even when this Order is passed in this manner and it is not made quite strong, if there is this kind of agitation which is sought to be whipped up by my hon. friends opposite who do not consider any means safe enough to attack us, what is one to do? One has got to go slow. That is what I tell my hon. friend, Mr. Mani. That is what we do gradually and I am going to do it, and this is how this is going to be managed.

It was asked here why we did not put a ceiling on the possession of gold. Is it realised that I will have to ask for registration from everybody before I can do that? And it is a difficult matter. I do not know what gold my hon. friend, Mr. Bhupesh Gupta, possesses. He is not married, therefore he may not have anything. But he may keep something in store some day. He may marry.

SHRI BHUPESH GUPTA: Fourteen carat.

SHRI MORARJI R. DESAI: It may not be 14, it may be even 12.

SHRI BHUPESH GUPTA: Then you must be more assured.

SHRI MORARJI R. DESAI: I do not know. Who knows, you may change your mind and want to do something. I do not know. He may be keeping for his future bride. How am I to know? How am I to know for anybody? He asks why I did not confiscate it from anybody.

SHRI BHUPESH GUPTA: Not from anybody but from the richer classes, princes, and so on.

SHRI MORARJI R. DESAI: He has a jealousy of the richer classes which I have seen is unprecedented. It is not merely jealousy, it is hatred, and that is what is consuming him. The way he speaks like the Niagara Falls and goes about when he refers to the richer people—one ought to see his face, one ought to see his tone, one ought to see his gestures—indicates what hatred and jealousy overwhelm him. I do not think that that is the way he should treat people. I do not approve the methods of my hon. friend. But I have no dislike of him. I know he is also doing some good. It is up to me to see that he is not capable of doing mischief. That is all I have got to say.

SHRI BHUPESH GUPTA: I also saw the good in the Gold Control Order.

SHRI MORARJI R. DESAI: I know, but he always gives a left-handed compliment.

SHRI BHUPESH GUPTA: Right-handed also.

SHRI MORARJI R. DESAI: Because he is interested in seeing that I am not strengthened as I am interested in seeing that he is not strengthened. That is true, but I go about in a straight way. He goes about the smuggler's way. That is why he challenges me about it. He believes in underground methods. I believe in constitutional methods.

SHRI BHUPESH GUPTA: Smugglers are on your side.

SHRI MORARJI R. DESAI: That is why I am saying that. But in a competition truth wins and lies disappear. That is what happens, and that is the strong point on which this Government rests. Therefore I am not worried about it. We may be making mistakes.

SHRI BHUPESH GUPTA: Mr. Akbar Ali Khan is applauding you. Ask him to get the Nizam's gold.

SHRI MORARJI R. DESAI: The Nizam has given his gold . . .

SHRI BHUPESH GUPTA: How much?

SHRI MORARJI R. DESAI: He has sold Rs. 7 crores worth of gold and invested it in Government bonds ten years ago.

SHRI BHUPESH GUPTA: A long time ago.

SHRI MORARJI R. DESAI: He has not purchased more gold after that because there was no gold to purchase. He may have still some gold with him, I do not know. But he must have reported it and I do not want to take it away from him. If he keeps it in safe keeping, what do I lose?

SHRI BHUPESH GUPTA: You gave him two months' time.

SHRI MORARJI R. DESAI: Yes, yes. Not to give it to me but for the return.

SHRI BHUPESH GUPTA: To make the declaration.

SHRI MORARJI R. DESAI: Well, I will see who have declared and who have not.

SHRI BHUPESH GUPTA: He has transformed it from non-ornament gold to ornament gold.

SHRI MORARJI R. DESAI: My hon. friend says many things on the floor of the House which he cannot say outside, because if he said them outside, he would be sued for defamation. He knows it very well, and therefore he pursues people here by naming one man, naming another man, naming a third man and so on. He can go on, but that is not the way. Character assassination is a very common pastime for people who have jealousy and

hatred in their heart. This is not a good thing at all. I do not think that any man, howsoever bad may be in certain actions, is not as good a man as I am or as he is. It is no use looking down upon men. One can look down upon their actions but it is no use condemning any man. Then what will I do with my hon. friend, Mr. Bhupesh Gupta?

SHRI BHUPESH GUPTA: You are condemning his actions.

SHRI MORARJI R. DESAI: I have as much respect for him as I have for myself. I have no doubt about it in my mind, but I am certainly miles away from what he thinks and what he does. That is why constantly my attempt is to see that—he may speak, he may do, he may pursue what he likes—he is not able to do harm to my country. That is all I am trying to see. If he is incorrigible, I am incorrigible in correcting him.

Then it was said that the goldsmiths have not been looked after. As I said before, the goldsmiths' work has gone on only on smuggled gold. Otherwise they could not have had any work in this country of that kind. But let us consider calmly whether all the goldsmiths have gone out of employment. That is also not true. There cannot be more than 500,000 goldsmiths in this country.

SHRI BHUPESH GUPTA: That is a very large number.

SHRI MORARJI R. DESAI: Yes, yes. Even if it is 5, I would consider that unemployment is unemployment. If it is 5 or even if it is one, I would not consider it very right. But we are going on with our measures. The share market stops. All those people who are working in the share market are out of employment. What am I going to do about it? The forward market in gold has been stopped. The bullion market is stopped. Both silver and gold markets have been stopped. Those who were working there are out of employment. Nobody has said anything about it.

SHRI BHUPESH GUPTA: They may take other jobs.

SHRI MORARJI R. DESAI: In the same way the goldsmiths can. We are believing in hereditary employment. At any rate my hon. friend does not believe in heredity. He believes in historical determination but he does not believe in heredity.

SHRI BHUPESH GUPTA: Dialectical materialism.

SHRI MORARJI R. DESAI: If he believed in hereditary profession, I do not know whether he would be in Parliament. He would be doing something else, because his forefathers were not in Parliament at any time. But we are changing our profession. Therefore the goldsmiths also can change their profession.

SHRI BHUPESH GUPTA: Our uncles were not in Parliament before.

SHRI MORARJI R. DESAI: I do not believe in hereditary profession. Therefore, what is the use of telling me? These are, therefore, matters which ought to be considered in their proper context and not out of prejudices against Government or prejudices against persons who occupy Government Benches. We have been taking steps through the State Governments to whom I have addressed myself, to whom the Gold Board has also addressed itself.

SHRI BHUPESH GUPTA: The West Bengal Government has given doles.

SHRI MORARJI R. DESAI: The West Bengal Government should not have given any doles whatsoever.

SHRI BHUPESH GUPTA: Rupees four per month.

SHRI MORARJI R. DESAI: It should not have given any doles. We

are not in a position where we can give doles in this country. We have not reached that stage. We want to be a welfare State but we are not yet a full welfare State. What is a welfare State? A welfare State will be one where everybody will be happy, and not happy with doles. Everybody will be earning himself by putting in work, and he will be getting full money for it. That is a welfare State. We are struggling for it, we are working for it. My hon. friend, Mr. Bhupesh Gupta, did not become what he is today only in one or two years. He has taken more than 45 years to be what he is. Therefore, what does he expect this country to be within 15 years? Does he expect that everything should be there in this country within the course of these 15 years? That is not possible. We are trying to do that. We are trying to provide more and more employment to people, and it is also because of this that we have got to stop the smuggling of gold and this wrong investment in gold, and that can happen only when the lure for gold disappears. It is a good thing that people are losing money even on that, so that they will be prohibited from taking gold in the future. You may say that I am a bit cruel. But a surgeon has got to be cruel. The surgeon has got to apply a remedy.

SHRI BHUPESH GUPTA: Will the patient survive?

SHRI MORARJI R. DESAI: And he sheds blood also.

SHRI BHUPESH GUPTA: Will the patient survive?

SHRI MORARJI R. DESAI: He has got to do that, and that is what a government has got to do. Therefore, when one takes steps like that, they ought to be viewed in that light. A surgeon should be helped, but not by shouting and holding his hands, otherwise, if you do that, the fault will lie

with you and not with the surgeon. That is what I am saying. By all means, attack the Government's policies wherever they are to be attacked but in regard to policies which do public good, what is the use of putting up people and saying that there is a great agitation? Any agitation can be whipped up about anything at any time in this country. It is because it is a free country. Anybody can do it. But that does not mean that every agitation means that there is substance behind it. Of course, the goldsmiths have been touched, and I do not talk lightly about it. They have suffered. We are therefore trying to see that they are helped, and the State Governments have been told that whatever profession they want to take up, they can be helped, that they can be given loans and that the loans can be given on easy interest and they can repay them in easy instalments also; they can be given priority in engagements wherever it is possible to do so; their children should be helped with education and if they want to have any training, then training also should be given to them. All these kinds of things are being done. And if any suggestions for this purpose are forthcoming from my hon. friends, I would certainly be very willing to accept those suggestions if they are feasible—not like the ones which they say on the floor of the House many a time—but if they are feasible, I am prepared to accept them and I shall be grateful for whatever help they can give in this matter.

But all goldsmiths are not out of employment. All goldsmiths are not dealing in gold. In backward areas there is no gold whatsoever. There are goldsmiths there. They deal only in silver; they deal only in copper or things like that. Many ornaments are made of them. Bead ornaments are made of these. When they do that, how they are out of employment, I do not understand. One day one Member told me in Lucknow that in the hilly areas, the goldsmiths were out of employment, and he himself said

that in the hilly areas only silver ornaments were being made and there was little gold. How they have gone out of employment, I want to know. And even goldsmiths who deal in gold also deal in other things. Therefore, how they have disappeared completely, I do not know. And if 14 carat gold is available to them in course of time, it is possible that we may be able to make arrangements, from any gold which comes out of the ornaments of the people that they sell, to see that they get 14 carat gold. I do not think the profession of goldsmiths is completely going to disappear. It is possible that their number may become less. I found a very curious state of things happening in Calcutta. I found that the number of jewellers shot up very quickly during the last few years and, curiously enough, when I took stock of that, I found that they were located only near Chinese shops and Chinese restaurants. I do not know what the connection is, but there is some connection; I have no doubt about it. Otherwise, why should they come out like that quickly, like mushrooms? I do not know. Now, am I going to have sympathy for all those people? I cannot have sympathy for all this kind of things.

These are the things which my hon. friends ought to bear in mind, instead of trying merely to find an excuse in anything and everything to run down the Government. Government cannot be run down like this. I am trying to help them in strengthening themselves. I know that when they do wrongs like this, then attacking the Government in this manner helps the Government; it strengthens the Government. But I do not want to be strengthened in a wrong way because that is also likely to make us indifferent even to something which may be correct. When one is always told many things most of which are wrong, then one becomes indifferent to whatever is said. We are also human; we are not angels. We are as good or as bad human beings as hon. friends

[Shri Morarji R. Desai]

are. Therefore we are also likely to be affected by this kind of criticism, and that is why I am pleading, for God's sake, do not unnecessarily try to go at us when there is nothing to be gone at. After all, is it not our common purpose in this House that we must work only for the good of the country? And if it is agreed that the present attraction to gold which we have inherited from the past is ruining us in two ways, by wrong investment and by smuggling as well, is it not the function and duty of all of us to see that the Gold Control Order succeeds? If this is the function, I hope, Madam Deputy Chairman, that my hon. friends will co-operate with the Government and will not unnecessarily say that this Government is callous about it. Where is the question of being callous about it? About what is one callous? I was told by my hon. friend, Shri Mani, that *mangalsutras* ought to be allowed. Where is it prescribed, and in which *shastra*, that *mangalsutras* should be made of 24 carat gold? I have still to find any authority for it anywhere. *Mangalsutras* can be made of beads. That was what it was made of before. In my childhood I had seen that. And no *mangalsutra* is used in Punjab or in U.P. or in Bihar. Therefore, these are customs. Why do you want to raise these customs to such a height where they will destroy us? Are we not out to demote all customs? Is not my hon. friend changing his dress? He is not putting on the dress which his forefathers used to put on; he is not dining in the manner in which his forefathers were dining. We are all changing these customs. That is the sign of progress. And if he does not want to have progress, then that is a different matter. We are determined to see that there is progress in this country and therefore we are not going to yield to wrong demands of any kind.

Thank you.

THE DEPUTY CHAIRMAN: The question is:

1. "That at the end of the Motion the following be added, namely:—

'and having considered the same, this House is of opinion that the Gold Control Order has failed to achieve the declared aims of the gold policy, namely, to stop gold smuggling and bring down the price of gold.'"

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

2. "That at the end of the Motion the following be added, namely:—

'and having considered the same, this House is of opinion that the Gold Control Order has not helped the country to mobilise the huge gold hoards lying as dead capital with big business, princes and other rich people for the purpose of productive investment.'"

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

3. "That at the end of the Motion the following be added, namely:—

'and having considered the same, this House is of opinion that the Gold Control Order has resulted in the loss of livelihood for lakhs of goldsmiths and other artisans.'"

The motion was negatived.

THE DEPUTY CHAIRMAN: The question is:

4. "That at the end of the Motion the following be added, namely:—

'and having considered the same, this House is of opinion that in order to make the Gold Control Scheme successful, Government should declare:—

(a) a ceiling on gold hoardings in any form;

(b) that all holdings above the declared ceiling would be compulsorily acquired under the Gold Bond Scheme or some other suitable scheme;

(c) that all holdings above the ceiling would be a penal offence;

(d) that ornaments below the ceiling would be permitted up to 22 carat gold;

(e) that goldsmiths and other artisans would not be required to take licences if they are not dealers in gold; and

(f) that only those who manufacture gold ornaments etc. for sale and others who deal in gold would be liable to take licences.' "

The motion was negatived.

THE DEPUTY CHAIRMAN: The House stands adjourned till 11.00 A.M. tomorrow.

The House then adjourned at twenty-seven minutes past five of the clock till eleven of the clock on Thursday, the 14th March, 1963.