

Gold Control Act

- *74. **Dr. L. M. Singhvi:**
Shri Prakash Vir Shastri:
Shri Bhagwat Jha Azad:
Shri M. L. Dwivedi:
Shri Subodh Hansda:
Shri S. C. Samanta:
Shri P. C. Borooah:
Dr. M. M. Das:
Shri Kolla Venkaiah:
Shri Onkar Lal Berwa:
Shri D. C. Sharma:
Shri Nath Pai:
Shri Hem Barua:
Shri Surendranath Dwivedy:
Shri Hari Vishnu Kamath:

Will the Minister of Finance be pleased to state:

(a) whether the details of modification in the Gold Control Act have been worked out;

(b) if so, the broad outline thereof; and

(c) the anticipated implications of such modifications?

The Minister of State in the Ministry of Finance (Shri B. R. Bhagat):

(a) Yes, Sir. Defence of India (Fourth Amendment) Rules, 1966 incorporating the modifications have been issued as Gazette of India Extraordinary on 1st November, 1966.

(b) Copies of the Defence of India (Fourth Amendment) Rules, 1966 along with an explanatory note have already been placed on the Table of the House. However, the broad outlines of the modification of Gold Control are as follows:

- (1) The withdrawal of all restrictions to goldsmiths concerning ornaments of more than 14 carat purity.
- (2) Prohibition on private possession of primary gold.
- (3) Provision for a period of six months allowed for disposal of legally held primary gold either by sale or tender to dealers/goldsmiths for conversion into ornaments.

(4) Provision for a further period of six months for the dealers and goldsmiths to manufacture the ornaments from such gold.

(5) Government control on gold refineries and on manufacture of primary gold which will be in form of standard gold bars of prescribed specifications only.

(6) Declaration of ornaments and other articles of gold held by private persons above certain specified limits.

(7) Restriction on further manufacture of articles of gold.

Rules withdrawing 14 carat restriction and allied matters come into force immediately. Other rules linked with or dependent on the manufacture of standard gold bars will come into effect from a date to be notified later.

(c) The main anticipated implications are:

- (1) Greater employment opportunities to goldsmiths consequent on withdrawal of 14 carat restrictions and permission to sell or convert into ornaments legally held stocks of primary gold.
- (2) Ban on private possession and hypothecation of primary gold and requirement of declaration of ornaments and articles of gold in excess of 2000 gms. per individual and 4000 gms. per family is calculated to serve as a check against easy circulation of smuggled gold and its conversion into ornaments.
- (3) Continuance of rehabilitation assistance to goldsmiths who do not elect to revert to the profession and the ban on manufacture of articles of gold are steps calculated to discourage the gold habit.