

### Memorandum Regarding Replacement of Gold Auction system

972. SHRI M. RAM GOPAL REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether Bombay Bullion Association in a memorandum to the Government suggested the replacement of the present system of auction of gold; and

(b) if so, the Government's reaction thereon?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) Bombay Bullion Association in their representation dated 3rd July, 1978 while welcoming the Government's gold sales policy, have suggested certain improvements in the existing scheme for the sale of gold and recommended certain further steps under the Gold (Control) Act for the success of the scheme and attainment of the Government's policy objectives.

(b) On the basis of review of results of the auctions so far conducted and experience gained, changes are made in the methods of sales. A scheme for the sale of gold at a fixed price to goldsmiths at selected centres in the country, in between R. B. I. auctions, is also contemplated.

### Boycott of Gold Auction by Goldsmiths of Bombay

973. SHRI M. RAM GOPAL REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether the goldsmiths of Bombay boycotted the fourth gold auction; and

(b) if so, the reasons therefor?

THE MINISTER OF FINANCE (SHRI H. M. PATEL): (a) and (b). A section of the goldsmiths of Bombay staged a demonstration before the Reserve Bank of India, Bombay on 14-6-78 when the 4th auction of the gold

was being held. The representatives of the Association met the Deputy Governor, Reserve Bank of India and submitted a memorandum. The main demand contained in the memorandum was for direct sale of gold to goldsmiths at fixed prices.

Government has taken the following steps to meet the demand of goldsmiths :—

(i) By an Order issued by the Gold Control Administrator dated 2-6-78, a ban has been imposed on inter-dealer transactions in R.B.I. gold. Dealers who purchase gold in R.B.I., auctions can sell such gold only to certified goldsmiths upto 100 grammes at a time or themselves convert such gold into ornaments for sale.

(ii) Groups of goldsmiths not exceeding five in number have been permitted to submit combined bids in the fortnightly auctions conducted by the Reserve Bank of India.

(iii) Co-operative societies of goldsmiths holding valid licences under the Gold Control Act, have been made eligible to participate in the auctions.

(iv) A scheme for the sale of gold in small quantities to goldsmiths at fixed prices in between the R.B.I. auctions, from selected centres in the country, is under the consideration of the Government.

### Submission of report on wages, incomes and prices

974. SHRI AHMED M. PATEL :  
 SHRI K. RAMAMURTHY :  
 SHRI AMARSINH V. RATHAWA :  
 SHRI DHARMAVIR VASISHT :  
 SHRI CHITTA BASU :  
 PROF. P. G. MAVALANKAR :  
 SHRI G. R. MAHATA :  
 SHRI AMARROY PRADHAN :  
 SHRI UGRASEN :  
 SHRI Y. P. SHASTRI :  
 SHRI F. P. GAEKWAD :