

husband Shri R. Velayudhan were Members of Provisional Parliament simultaneously. She was also connected with Life Insurance Corporation. Throughout her life she devoted herself to social work. She passed away yesterday at New Delhi at the age of 65.

We deeply mourn the loss of these friends and I am sure the House will join me in conveying our condolences to the bereaved families.

The House may stand in silence for a short while as a mark of respect to the memory of the departed souls.

The Members then stood in silence for a short while.

ORAL ANSWERS TO QUESTIONS

Norms for sale of Gold by R.B.I.

*83. SHRI ANANT DAVE..
SHRI P. RAJAGOPAL NAIDU:

Will the Minister of FINANCE be pleased to state :

(a) how much gold has been sold by the Reserve Bank of India ;

(b) whether any norms were prepared for this sale ;

(c) whether it is true that people who wanted to purchase 10 grammes were not allowed to buy ; and

(d) name of person/company who purchased that largest quantity of this gold ?

THE MINISTER OF FINANCE : (SHRI H. M. PATEL) : (a) A quantity of about 7.92 tonnes of gold has been sold by the Reserve Bank of India in the six auctions so far conducted.

(b) Reserve Bank of India has published detailed terms and conditions for each auction prior to the auction. The salient features of the auctions conducted by the Reserve Bank of India are as follows :

The sale is conducted by auction by tender system. Dealers licensed under the Gold Control Act including co-operative societies of goldsmiths having dealers' licence are eligible to bid in the auctions. No bid would be for a quantity less than 1 kg. or more than 5 kgs. There would be a reserve price fixed by the Government from time to time which would be a certain percentage above the international price. Valid bids received will be ranked in order of descending prices quoted. Awards will be made to bidders who rank above the position determined by the Reserve Bank of India with due regard to the quantity to be sold at the auction and the reserve price. The award will be made for the quantity bid and the price quoted.

From the 4th auction onwards, the maximum and minimum quantity of individual bids has been reduced from 5 kgs. and 1 kg. to 2500 grammes and 500 grammes respectively. Joint bids by dealers and goldsmiths not exceeding five in number are also permitted from 4th auction onwards.

(c) The gold sold in the auctions will be in units of 100 grammes standard gold bars as permitted to be held under the Gold (Control) Act. Public are not permitted to participate in the auctions. Moreover under the present Gold (Control) Act, private ownership/possession of primary gold is completely banned.

(d) As replied to in part (b) of the question, the maximum quantity of the bid permitted up to the 3rd auction was 5 kgs. From 4th auction onwards, this maximum limit has been brought down to 2500 grammes. The labour involved in collecting the information relating to the names of dealers who have purchased largest quantity of gold in the last six auctions may not be commensurate with the results.

MR. SPEAKER : You could have laid a statement.

Before I proceed, I am linking up this question with questions 88 and 99, because they are more or less common questions.

PROF. P. G. MAVALANKAR : Sir, Are the Members concerned present here ?

MR. SPEAKER : The Members concerned are here.

AN HON. MEMBER : Without completing Question 83, if he goes on to reply to other questions

MR. SPEAKER : After that, I am asking other Members concerned, to put their questions.

AN HON. MEMBER : If he takes them up together, we will lose the opportunity to put questions.

MR. SPEAKER : The difficulty is that those people also will not have any chance. You must understand that also.

'Hartal' by Goldsmiths against Gold Auction Scheme

*88. SHRI JANARDHANA POJJARY : Will the Minister of FINANCE be pleased to state :

(a) whether the goldsmiths throughout the country observed "hartal" against the gold auction scheme ; and

(b) if so, the reasons therefor and Government's reaction thereto ?

THE MINISTER OF FINANCE :
(SHRI H. M. PATEL) : (a) and (b). A number of associations of goldsmiths have represented against the existing scheme of gold auctions conducted by the Reserve Bank of India and they have placed various demands before the Government. Their main demand is for direct sale of gold to them at fixed price.

The different steps taken by the Government in meeting the demand of the goldsmiths are as follows :—

(i) Gold Control Administrator by an Order dated 2-6-78, has banned the inter-dealer transactions in Reserve Bank of India gold among the dealers. Dealers who purchase the gold in Reserve Bank of India auctions, can sell such gold only to goldsmiths under 100 grammes at a time or themselves convert such gold into ornaments for sale.

(ii) Certified goldsmiths not exceeding five in number are permitted to submit joint bids in the Reserve Bank of India auctions.

(iii) Co-operative society of goldsmiths holding valid licence to deal in gold is also eligible to bid in the Reserve Bank of India auctions.

(iv) A scheme for the sale of gold at a fixed price to goldsmiths at selected centres in the country, in between the Reserve Bank of India auctions, is under the consideration of the Government.

सोने की बिक्री और स्वर्ण आभूषणों का निर्यात

*99. श्री श्रीम प्रकाश न्यायी : क्या वित्त मंत्री यह बताने को कृपा करेंगे कि :

(क) सरकार द्वारा सोने की बिक्री और स्वर्ण आभूषण निर्यात करने की नीति देश में किस सीमा तक सफल रही है ;

(ख) क्या यह सच है कि सोने की बिक्री की नीति के परिणामस्वरूप स्वर्णकारों में असन्तोष व्याप्त है और उन्होंने 14 जून, 1978 को रिजर्व बैंक के सामने प्रदर्शन भी किया था ;

(ग) यदि हाँ, तो क्या स्वर्णकारों की भावनाओं को देखते हुए सरकार का विचार कर्तव्य-नीति में परिवर्तन करने का है ;

(ख) यदि हाँ, तो क्या परिवर्तन करने का विचार है ; और

(ङ) यदि नहीं, तो इसके क्या कारण हैं ?

THE MINISTER OF FINANCE
(SHRI H. M. PATEL) : (a) Sale of gold by the Government has been conceived of as an economic measure to supplement the preventive measures to tackle the evil of smuggling of gold into the country. The sales have succeeded in discouraging smuggling of gold. The gold prices in India have also shown some tendency to fall since the commencement of the gold sale operations in spite of the rising trend in international prices.

The present scheme of sale of gold is not directly linked with the scheme of export of gold jewellery from the country. A separate scheme for duty free importation of gold or for sale of gold to exporters at international prices, is separately under the consideration of the Government for the purpose of encouragement of export of gold jewellery from India.

(b) to (d). A number of associations of goldsmiths have represented against the existing scheme of sale of gold by the Reserve Bank of India and they have submitted various demands. It is a fact that they demonstrated before Reserve Bank of India on 14th June, 1978 and presented a memorandum to the Deputy Governor, Reserve Bank of India. Their main demand is for direct sale of gold to them at fixed price.

The different steps taken by the Government in meeting the demand of the goldsmiths are as follows :—

(i) Gold Control Administrator by an Order dated 2-6-1978, has banned the inter-dealer transactions in Reserve Bank of India gold among the dealers. Dealers who purchase the gold in Reserve Bank of India auctions can sell such gold only to goldsmiths upto 100 grammes at a time or themselves convert such gold into ornaments for sale.

(ii) Certified goldsmiths not exceeding five in number are permitted to submit joint bids in the R.B.I. auctions.

(iii) Co-operative Society of goldsmiths holding valid licence to deal in gold is also eligible to bid in the R.B.I. auctions.

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