

LOK SABHA DEBATES

2

LOK SABHA

Thursday, April 13, 1972/Chaitra 24,
1894 (Saka)

The Lok Sabha met at Eleven of the Clock.

[MR. SPEAKER *in the Chair*]

ORAL ANSWERS TO QUESTIONS

Conversion of Kolar Gold Mining Undertaking into Public Sector Company

*381. SHRI NIHAR LASKAR : Will the Minister of STEEL AND MINES be pleased to state :

(a) whether Government have decided to convert the Kolar Gold Mining Undertaking into a public sector company ; and

(b) if so, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI SHAHNAWAZ KHAN) : (a) and (b). Yes Sir. The Bharat Gold Mines Private Ltd., a Company in the public sector has been set up to take over the assets and liabilities of the Kolar Gold Mining Undertaking with effect from 1.4.1972. By converting this undertaking from a departmentally run unit into a limited company, it is expected to ensure for it the necessary measure of autonomy and operational powers to work on commercial lines by taking expeditious steps to achieve higher efficiency like bringing down the cost of production of gold and improving the productivity of the personnel and equipment.

The Company will also have greater freedom in inducting competent technical personnel, acquisition of stores and equipment etc. than if it were to continue as a departmental unit. It is also expected that under the new set up

the Company would also be able to expeditiously take up further developmental work not only in its present lease-hold but also in other areas where gold ore has been located.

SHRI NIHAR LASKAR : I would like to know whether it is not a fact that Kolar gold has ceased to be a profitable proposition and whatever is left out of the exploitation by the British people is nothing. So, in view of thing, I would like to know how Government thinks of improving situation by taking up of this company ?

SHRI SHAHNAWAZ KHAN : It is not correct to say that all reserves are nearing depletion. It is true that gold ore has gone down somewhat but we are aware of certain deposits within these mines which are very rich and which we are trying to reach now.

SHRI NIHAR LASKAR : All the world over it is a profitable proposition whereas in our case it is a losing proposition. So, I want to know whether by this company, you are also taking over the new sites immediately, where you can extract gold.

SHRI SHAHNAWAZ KHAN : It is with this very object that this new company has been formed. They will try to reduce the loss and we hope they will be able to expand production and bring about certain economy in the actual working of the mine. We hope they will be able to very substantially reduce the loss.

SHRI NIHAR LASKAR : I asked about the new sites to which they are going on.

SHRI SHAHNAWAZ KHAN : There are known sites and areas where we are working at present. There is the site at Anantapur district in Andhra Pradesh, that is, Ramagiri. We are also working in certain other areas but the results have not been encouraging so far. The results in Ramagiri and these mines are fairly good.

SHRI M. RAM GOPAL REDDY : The Minister said that these gold mines are incurring losses. I want to know about the loss on account of the sale of gold at the international markets or even if it is sold internally will it still be in loss? What is the position?

SHRI SHAHNAWAZ KHAN : It is true that we are supplying all the gold produced from Kolar goldfield at the international monetary price, that is Rs. 84-40 per 10 grammes. The market price is very nearly double or even more than double...

SHRI JYOTIRMOY BOSU : It is more than three times.

SHRI M. RAM GOPAL REDDY : If it is sold in the market, how much would it fetch?

SHRI SHAHNAWAZ KHAN : Roughly speaking, at the present cost, the price of gold produced comes to about Rs 2 crores. If we were to sell it at market price, it would come to about Rs. 4 crores, and the cost of operation of these mines comes to about Rs. 6 crores.

श्री शशि भूषण : आपके जरिये मैं मंत्री महोदय से जानना चाहता हूँ कि क्या वह हमारा मुबारिकबाद स्वीकार करेंगे कि उन्होंने गोल्ड माइन्ज को और वापर माइन्ज को अपने हाथ में ले लिया है? इसी तरह एल्यूमिनियम का प्रोडक्शन और माइनिंग मोनोपोलिस्ट्रम के हाथ में है। क्या वह उसको भी राष्ट्रीयकरण करने के लिए तैयार हैं?

अध्यक्ष महोदय : इस सवाल को आपने उन से अलग पूछ लिया होता।

श्री शशि भूषण : वह जवाब देने के लिए तैयार है।

श्री राहनबाज खाँ : स्पीकर साहब ने कहा है कि यह क्वेश्चन एराइज नहीं होता।

Indo-US Talks

*382 **SHRI ARJUN SETHI :** Will the Minister of EXTERNAL AFFAIRS be pleased to state :

(a) whether the U. S. Government has begun talks with the Indian Government in an

effort to iron out misunderstandings about the American policy during the Indo-Pakistan War, 1971; and

(b) if so, at what level and its outcome?

THE MINISTER OF EXTERNAL AFFAIRS (SHRI SWARAN SINGH) : (a) Diplomatic contacts between the Governments of India and the United States never ceased to exist. As is normal in such contacts, discussion on Indo-U.S. relations has continued uninterrupted.

(b) Talks have been going on through normal diplomatic channels at Ambassadorial level in New Delhi and Washington. Regarding their outcome, it is not customary to reveal such matters in advance.

SHRI ARJUN SETHI : I had asked about the US policy towards India during the Indo-Pak war. May I know whether there has been misunderstanding between the two countries regarding the US policy towards India?

MR. SPEAKER : The hon. Member himself has said in his question that there was some misunderstanding and he has asked what steps have been taken to remove the misunderstanding?

SHRI SWARAN SINGH : The US Government's attitude during the Indo-Pakistan conflict was based upon incorrect appreciation of the relevant facts of the situation, and, therefore, it was biased.

SHRI ARJUN SETHI : What kind of diplomatic discussion is going on at ambassadorial level?

MR. SPEAKER : The hon. Minister has said that they are not revealed.

SHRI SWARAN SINGH : With a view to exploring the possibility of improving the relations.

SHRI PILOO MODY : Is he having cocktails with them?

SHRI KRISHNA CHANDRA HALDER : May I know whether our Government think