

RAJYA SABHA

Tuesday the 26th March, 1985/5 Chaitra,
1907 (Saka)

The House met at eleven of the clock,
Mr. Chairman in the Chair.

ORAL ANSWERS TO QUESTIONS

Closing down of the Bharat Gold Mines

*131. SHRI SYED AHMAD HASHMI:

SHRI KAPIL VERMA:†

Will the Minister of STEEL, MINES
AND COAL be pleased to state:

(a) whether Government have decided
to close down the Bharat Gold Mines
operating in the Kolar Gold Fields; and

(b) if so, what are the reasons there-
for?

THE MINISTER OF STEEL, MINES
• AND COAL (SHRI VASANT SATHE):

(a) and (b) A statement is laid down on
the Table of the House.

Statement

1. In view of the heavy operating losses being incurred by the Bharat Gold Mines Limited due to declining gold production, as a result of poor grades and other factors, Bharat Gold Mines Ltd. (BGML) has appointed, arising out of the deliberations of an inter-ministerial meeting on its future, Shri K. S. R. Chari, Retired Secretary, Department of Coal, as its Consultant in this regard.

2. The Consultant is to go into the whole question of BGML's operation and its future and whether BGML can really diversify in any significant measure into other operations with profit and the lines in which it can diversify, keeping in view the available manpower, infrastructure and other facilities. In this connection, the gold policy, production, its pricing, exploration and development of new gold mines and other connected aspects will also be gone into in depth.

†The question was actually asked on the floor of the House by Shri Kapil Verma.

3. After the report of Shri Chari's Committee is available, further policy guidelines in this regard will be formulated.

4. The Report is expected in July, 1985.

SHRI KAPIL VERMA: I have in my hand the report of the Department of Mines for the year 1983-84. The honourable Minister said the Consultant is to go into the whole question of BGML's operations and its future and whether BGML can really diversify in any significant measure into other operations with profit and the lines in which it can diversify. Now, the report of the Department of Mines clearly says on page 61, para 5—I am only trying to point out the contradiction between the Minister's reply and what the report says here—

"Although BGML is strictly a gold mining company, it has, based on its expertise acquired over the years, launched a programme of diversification mainly in the field of manufacture of mining machinery like hoists and electricals."

Then the report says—

"The company has already taken up the contracts in shaftsinking and mine construction for various other mining companies like Hindustan Copper Limited, Hindustan Zinc Ltd. etc. The Company is also making efforts to acquire foreign technology for high speed shaft sinking."

MR. CHAIRMAN: But what is your question?

SHRI KAPIL VERMA: When the programme of diversification was launched, did the Government consider its feasibility before it? Now they say that they are going into question of diversification. There is a contradiction between these two. This is what I am pointing out.

SHRI VASANT SATHE: I don't think there is any contradiction between the two. The feasibility is to be studied about the working of the gold mine. Whether it can be worked economically is to be ex-

aminated by the Chari Committee. As far as diversification is concerned, it is in the other fields. In other fields what work can be taken up by this company and by the people here that is the point, that is what has to be examined. And there when we come across a particular type of work which can be done, the question is how to employ these people, where can we diversify. And that can be only by experiencing and finding out where and what we can do. There is no contradiction between the two.

SHRI KAPIL VERMA: Has the Government already decided to close down the mines? Because, you have already issued notices to the employees. There are 12,000 employees. Naturally the House will be concerned about the workers. Now when the employees started an agitation, a committee has been appointed. I want to know whether the Government has decided to close down the mines and in case they have decided to do so, what will happen to these workers, where will they be absorbed.

SHRI VASANT SATHE: We are also concerned about the employees, and that is why the committee has been appointed. Let the committee give its report. We have not taken any decision this way or that about closing down the company.

SHRI K. MOHANAN: The Hon'ble Minister has stated in his reply that the gold deposits in Kolar Gold Fields have almost been exhausted. In this context, I would like to know from the Minister whether the Geological Survey of India have made any effort to locate new deposits of gold in our country and if so what is the result of their survey. I would also like to know from the Minister whether it is a fact that in Nilambur of Malappuram district of Kerala the survey has established the existence of considerable quantity of gold deposits. If so, have they considered the survey report and the feasibility of mining gold from Nilambur?

SHRI VASANT SATHE: As far as Nilambur of Malappuram district is concerned, some gold in the gravel of the river has been found. But its economic

feasibility to take it out on commercial basis is yet to be established. The Geological Survey of India is doing survey work to find out whether sufficient gold deposit is there.

SHRI JAGESH DESAI: In view of the fact that the report by the one-man Committee is still to be received, whether the Government will ask them to submit an interim report so that the losses in the project can be avoided to some extent?

SHRI VASANT SATHE: I do not think it is necessary for us to ask them to submit any interim report. If they feel so, they can do it.

SHRI NIRMAL CHATTERJEE: Despite whatever is said about dollar, gold continues to function as international currency. Therefore, even if the cost of mining gold increases in future, it will have some value. How does the unit cost of gold from these mines compare to the Indian and international prices of gold?

SHRI VASANT SATHE: At present it is much higher than the international price and also the cost is higher than the indigenous price. It is higher than the London Metal Exchange price and higher than the indigenous price. I am referring to the unit cost. Therefore, at least today, unless the Geological Survey of India finds very large reserves of gold which could be mined economically, the present prospecting does not show much promise.

SHRI M.M. JACOB: The Hon'ble Minister, while giving his reply, mentioned about the gold mines in Nilambur. As per the information available from Government sources, about 4,000 kg. of gold deposit is available in Nilambur. That is supposed to be the finding of the Government. If that is so, is it not feasible to go in for gold mining in that area?

SHRI VASANT SATHE: As I said, we are examining the feasibility.

श्री वीरेन्द्र वर्मा : क्या माननीय मंत्री भी बताने की कृपा करेंगे कि भारत गोल्ड माइन्स, जो गत 70, 80 या सौ वर्षों से चल रही है, तो क्या प्रारम्भ से ही इसमें नुकसान हो रहा है? यदि पहले यह प्रोफिट में चलती थी, तो अब कितने दिनों से यह नुकसान में है और कितना नुकसान प्रतिवर्ष सरकार को इस पर उठाना पड़ता है?

श्री वसन्त साठे : सभापति जी, पहले जब यह शुरू हुई थी, पिछली शताब्दी में तो काफी सोना यहाँ से निकला और यह काफी मुनाफे में चलती रही। ऐसा शमझ लीजिये कि कम से कम 70-72 तक यह मुनाफे में चलती रही। फिर घोंटा शुरू हुआ फिर पहली बार 1979-80 में और 1980-81 में दो साल जब अन्तर्राष्ट्रीय कीमतें सोने की बहुत बढ़ गयी, उस वक्त हमारा कुछ मुनाफा शुरू हुआ। दो सालों में ही मुनाफा हुआ फिर उसके बाद घाटा शुरू हुआ और अब तो घाटा काफी ज्यादा है और बढ़ता ही जा रहा है।

श्री वीरेन्द्र वर्मा : कितना ?

श्री वसन्त साठे : पिछले तीन सालों में करीबन 15 सौ लाख रुपये का घाटा हुआ है।

Coffee cultivation in Phulabani district of Orissa

*182. SHRI JAGDISH JANI: Will the Minister of COMMERCE AND SUPPLY be pleased to state:

(a) whether Government have explored the possibility of coffee cultivation in Phulabani District of Orissa;

(b) whether plantation of coffee has been started in that District under any Central Government scheme; and

(c) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND SUPPLY (SHRI P. A. SANGMA): (a) to (c) A statement is laid on the Table of the House.

Statement

(a) Yes, Sir.

(b) and (c) Coffee Board provides various types of assistance for coffee growing in terms of technical assistance through establishment of research and demonstration farms as well as subsidy and loans. The State Departments and State Corporations in non-traditional areas responsible for coffee growing are also eligible for such assistance. However the investment required would also have to come from the respective State Governments/State Corporations/ Private entrepreneurs of Financial Institutions. In Orissa the work of coffee plantation is being carried out by the Soil Conservation Department. According to the information furnished by the State Government about 180 hectares have been covered under coffee cultivation in Phulbani District.

SHRI JAGADISH JANI: * Sir, the honourable Minister has stated in his reply that 180 acres of land in Phulbani district have been brought under coffee cultivation. I would specifically like to know from the honourable Minister which are the areas in Phulbani district in which coffee cultivation has been started and since when.

SHRI P. A. SANGMA: Sir I think I have already given the information in the answer itself. So far as the areas under coffee cultivation is concerned, it is 180 hectares and it is given in the main reply.

MR. CHAIRMAN: Yes, Mr. Jani, you put your second supplementary.

SHRI JAGADISH JANI: * Sir, I want to know from the honourable Minister the total amount spent on coffee cultivation in Phulbani district so far the net production of coffee from those areas and the Central schemes proposed to be launched for the promotion of coffee cultivation in that district. As the climatic condition of that district is favourable for coffee cultivation, I would like to know whether the Government proposes to bring more areas under coffee cultivation during Seventh Plan period.

*English translation of the original Question asked in Oriya.