

SHRI M. S. GURUPADA SWAMY: The Kolar Gold Mines were operated by the State Government and it was nationalised some time back. May I know what the extraordinary reasons in the possession of the Government of India are that they should now take over the gold mine and operate it on behalf of the Centre, and not on behalf of the State Government?

SHRI B. R. BHAGAT: Because of our obligations under the International Monetary Fund arrangements for payment. Payments under the financial arrangement between the two Governments were found rather difficult and embarrassing. So as a result of the negotiations between the two Governments it has been decided that the gold mines should be taken over by the Central Government.

SHRI M. S. GURUPADA SWAMY: How does the negotiation come in the way of the operation of the gold mine by the Mysore Government?

SHRI B. R. BHAGAT: The hon. Member is curious to know. The main difficulty was how to pay. Being a member of the International Monetary Fund we cannot pay for the gold a price more than the international price which is very much less than the market price in India—actually half—and if we pay the international parity price to the Mysore Government, very heavy losses would be incurred, and we cannot make it up by other methods, say, by subsidy or by grants, without violating our commitments as member of the International Monetary Fund. So all these obligations led us to his arrangement that this mine should be operated by the Central Government.

SHRI ARJUN ARORA: May I know if there is any prospect of finding other gold mines?

SHRI B. R. BHAGAT: We can only hope.

SHRI BHUPESH GUPTA: May I know, Sir, whether in this connection, the Government of Mysore made a

suggestion that this should be taken over by the Government of India? I can well understand problems between the Government of India and the International Monetary Fund. But what about the Government of Mysore? Did they request the Government of India to take it over?

SHRI MORARJI R. DESAI: It is not a question of any request from the Government of Mysore. It is a question of satisfying our obligations to the International Monetary Fund. We are concerned more with that than with the Mysore Government. The Mysore Government is agreeable to our taking it up and there is no conflict between the Government of Mysore and the Government of India.

SHRI N. SRI RAMA REDDY: May I know whether there is any exploration programme chalked out in the Third Five Year Plan for gold mining, if so what is that programme?

SHRI B. R. BHAGAT: During the Third Five Year Plan it is intended to implement a scheme costing Rs. 150 lakhs and the bulk of it will be to develop production in the Nandidurg Mine and the Hutti Mine. In the former, the idea is to step up production from 21,000 tons ore crushed to 28,000 tons and in the second, from 17,000 ounces of gold production to 39,000 ounces, and also to increase the gold production in the existing mines at Kolar and the Champion Reef.

SHRI N. SRI RAMA REDDY: It is said, Sir, that because we are going deeper down into the lower strata of the earth for taking out this gold the technical personnel available in this country is incompetent to handle this. This is the type of talk. May I know if there is any truth in this?

SHRI B. R. BHAGAT: I do not think, Sir, that technically we are incapable of doing it. Our own personnel is there and there is no difficulty on that account.