

SHRIMATI BRINDA KARAT: What about education.

SHRI MUKUL WASNIK: A large number of suggestions have been made. At this point of time, I simply mention one thing that the concerns expressed here would definitely be taken to the hon. Minister of HRD and we will discuss the issues which have been raised here and try and see how best those can be addressed.

With these words, I once again thank the hon. Members for engaging this House with a very, very important discussion. I do hope that this will further make us resolve, with much more determination, to carry forward the task of providing persons with disabilities their rights and realize their dreams.

Thank you very much.

MR. DEPUTY CHAIRMAN: I also thank the hon. Members. This is for the first time that we have completed the Calling Attention in exactly one hour, as specified.

The House is adjourned for one hour for lunch.

The House then adjourned for lunch at twenty minutes past one of the clock.

The House re-assembled after lunch at twenty-three minutes  
past two of the clock,

MR. DEPUTY CHAIRMAN in the Chair.

#### **SHORT DURATION DISCUSSION**

##### **Large scale illegal mining in the country**

THE LEADER OF THE OPPOSITION (SHRI ARUN JAITLEY): Sir, I am extremely grateful to you for permitting me to make an intervention on the issue of illegal mining which has been debated in this House almost very extensively. Sir, I assure you that since we have the benefit of the opinion of a very large number of Members across Party line, I do not wish to go into all those facts nor do I intend to go into these individual cases or the response thereto which has been referred to by various hon. Members. I only wish to deal with a few conceptual issues on the basis of my little experience as an observer of this particular field of economic activity. Sir, when we discuss the issue of illegal mining, I think we must get rid of one misconception that there is a separate institution of illegal mining as distinct from the lawful mining. In fact, there are these categories which partly overlap. It is the same set of people who are authorized to undertake lawful and illegal mining. They can extend, at times, the area of their operation, they can get into unexplored areas, they can get into neighbouring mines leading to various unsavoury disputes and litigations.

Some of them start mining more than what is otherwise permitted to them, and, therefore, the whole concept of illegal mining is borne out essentially from those who otherwise are permitted to do legal mining. But this question is a larger question and the larger question is that the mineral resource of the country is a very large and valuable national resource. The process

that we have in India and the laws that we have broadly indicate that minor minerals are dealt with by the State. In relation to major minerals, the States make recommendations and the Central Government finally takes the ultimate decision. By this process, the mineral is placed in private hands. Now, if we look at the big picture as to what really has been happening is that the revenue which the national Exchequer receives from mining — and there is a concern all across beyond party lines — is wholly inadequate. The royalties, the taxes are inadequate. The mineral-rich States like the gas producing States have a genuine and a legitimate grievance that because of this inadequacy, they appear to be conferred an enrichment by the nature, but, actually, the system of mining in India is such that the State doesn't seriously get enriched because it has a large mineral resource. The revenues are inadequate as far as the State is concerned; even the Central Government gets very inadequate revenues. Because of the whole concept of illegal mining intertwining with lawful mining, there is a large-scale violation of our fiscal and taxation laws. Then, of course, Mr. Yechury mentioned this at length that mining has its own adverse impact on environment because the necessary environmental steps, at times, are not taken. It is also hampering both afforestation and also the life in the forest, and some people, probably, legitimately, attribute the social discontent in those areas as directly attributable to this widespread mining that we have undertaken.

Sir, there is one more danger and we can see it practically in our public life. When we speak in terms of probity in public life, we are first concerned with the kind of corruption that we have in governance; we find it in various layers of governance, namely, transfers, postings, revenue departments, police departments. These were originally the causes of concern. As the economy grew and we thought we were now de-licensing the whole system, it will lead through honesty. One area of concern was alcohol and liquor trade which was seriously creating problems as far as probity and cleanliness in public life is concerned in various States. Today, you find it in real estate. But, real estate, at least, builds housing and does some service for the society. Private sector education is a problem area as far as corruption and probity are concerned. But, at least, they train human resource. So, there is some contribution. Mining is a singular area where large wealth generates in private hands leading to inadequate revenue to the State, and, therefore, their ability to disproportionately influence governance, politics also becomes very large. Now, Sir, it is this problem that the hon. Minister, in the kind of reforms that he has to undertake, needs to seriously address. Now, if we get down to the issue of, [Is there more illegal mining in a State governed by Party 'A' or Party 'B' or Party 'C' ], then each one of us can trade allegations. How do you address this core issue? Sir, the principal core issue is, the laws relating to mining need a serious re-look.

Now, if you look at the basic Central law, the right to mine, which flows out of the Central law, goes to the person who is the first applicant when the area is thrown open. So, if you come

first, you are served with the mining lease first. Now it is this first-come-first-serve principle under the mining law, which has actually brought in traders rather than actual users into the mining business. When that happens, it is there that the problem starts getting serious. I would urge upon the hon. Minister, when he is thinking in terms of mining laws and when he is probably trying to reform and amend some of these Acts, to consult all business and commercial interests, interests of State Governments, different political parties, and seriously consider which principle is correct — where the first applicant gets the mine irrespective of whether he needs to utilize the mineral or not, or the principle where he needs to use the mineral only for the purposes of trading and concentrating wealth in his hands? Which is the correct principle?

Sir, Mr. Yechury asked the Government to go back to nationalization. I think, that is an extreme suggestion. I am not going that far, but in my respectful view, it is time that the Minister seriously considered, along with the State Governments, a uniform, natural policy of a preference for the actual users of the mineral. Mines must go to those who are the actual users of the mineral, those who want to utilize it for industry, those who want to utilize it for value addition. It is those people who are entitled to the first right to use that mineral. That, I think, is one of the first reforms that is required.

Then, Sir, it is almost mandatory, and it should be made mandatory, as some State Governments have, that when you allow a mineral to go to the actual users, the second basis that you must have for allotment of a mine or a mineral is that if you have surplus mineral coming from a mine, and you may be the actual user, then, trading and sale should be permitted mandatorily to those who are actual users, but without a mine. So, a mineral must not go merely for trading; it must go to the actual users.

The second reform required is that the mineral must go to those — and actual users, in fact, will be those — who add value to that mineral. It should go to those who add value to the mineral and who don't add value merely to their own pockets. So, you mine the mineral, sell it in different parts of the country and you sell it internationally. Now, what do you do when you sell it internationally? Reference has been made to some States. It was being said that one of the reasons why a lot of minerals get exported is, that you had iron ore fines. And conventionally you felt that we have a technology for dealing with pellets and lumps, but we have no technology for dealing with fines. But now that technology is internationally available, some of the companies have got into India, there is no reason why our natural wealth, because of lack of our ability to bring in that technology, should be exported to countries who are our actual business competitors and, therefore, we are enriching our competitors by allowing that mineral to be exported rather than utilizing it themselves. While we do it, Sir, this may also involve that the Central Government — not merely the State Government because international trade, export-import, is a policy domain of the Central Government; the State can merely say that their ports will not be used; the private ports which are under its control as minor ports will not be used —

must take a policy decision that minerals are not allowed to be exported out of the country. If they are given to actual users, the sale is given to the actual users, the mines are given to those who are indulging in value addition, prohibit mindless export to other competing economies which get enriched at the cost of our minerals, I think, we will be able to address the core issues which are resulting from this endless mining, whether it is lawful or unlawful.

Sir, we are forgetting an underlining factor. We say, we need foreign exchange, but we are a foreign exchange surplus economy today. We are not in a situation where there is a crunch of foreign exchange; we are not in a 1991 situation.

Merely if we were to prohibit the export of some categories of mining minerals out of the country, our foreign exchange reserves are not likely to disappear, and only fact is that instead of very high volume we may have a slightly lesser volume. We must also realize the fact, Sir, that when we deal with a natural resource there is also a very important principle of inter-generational equity. The inter-generational equity is that nature has provided us with this valuable resource. Are only one or two generations going to unearth the entire resource and utilize it for the present generation? What are the resources which we are going to leave behind for the next generation itself? Therefore, mine as much as you require in the country today, but keep the factor of inter-generational equity in mind and, prohibit anything which is in surplus of what is required in the country today. That should be the underlining principle. Lastly, Sir, considering the disproportionate earning with those who are in industry or in trade — and I have said that trade itself should be discouraged and not allowed — and the disproportionate influence on various aspects of governance that they have, you must seriously look at the revenue and the royalties that the State and the Centre are realizing from them. The public exchequer at both levels gets a pittance; the private pockets are really enriched. Therefore, I would urge the Minister, while he replies to the debate today and in the course of the months and years to come when he formulates the policy with regard to these, to kindly keep these factors in consideration.

THE MINISTER OF MINES AND THE MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI B.K. HANDIQUE): Mr. Deputy Chairman, Sir, I am indeed grateful to the Leader of the Opposition, Shri Arun Jaitley, and other hon. Members for participating in the discussion. Including the Leader of the Opposition, fifteen hon. Members participated in the discussion, and my Ministry is very much benefited by this. The Leader of the Opposition has given some very constructive and thought-provoking suggestions. First of all, I will set forth my views or the Ministry's views for five or six minutes. Then I will place before the House what we have done with all our limitations in the existing Act to contain the illegal mining; then I will respond to the queries and points made by the hon. Members.

Mr. Deputy Chairman, Sir, at the outset, let me assure that the Central Government is highly concerned about the incidents of illegal mining in the country. I shall try to address the concerns of the hon. Members who have brought out many facets of this problem which they discussed.

Sir, during the debate it has become amply clear that the main reason for this is the poor enforcement of the regulatory system and strong demand for ores. This problem has assumed an alarming proportion in Karnataka, Andhra Pradesh, Orissa and Jharkhand. In our system of multi-level governance operating essentially in a federal framework, relationship among the States and between the Centre and the States are critical for stability, security and economic development of the country. Sir, as on today, the Central Government has power to regulate the sector under Entry 54 of List-I of the Seventh Schedule of the Constitution of India.

But, Sir, given the federal structure of the country, Union Government would expect the State Governments to exercise their mandated powers and discharge the given responsibilities. Sir, the problem of illegal mining is basically a problem of governance. State Governments have the power to administer land accords, lease boundaries, transportation, trade and storage of the minerals. So, they are the appropriate authorities to regulate the mineral sector. But the State Governments should put their house in order. For, if this problem assumes unmanageable proportion, the Central Government will be required to intervene in an appropriate manner in overall national interest.

Sir, the Leader of the Opposition has pointed out certain inadequacies in the existing Act also. Sir, in the matter of curbing illegal mining, as per the provisions of the existing Act, MMDR Act, 1957, the Attorney General, Mr. Vahanvati, said, "It must be conceded that the provisions of the Act are unhappily worded. There are certain provisions of the Act which indicate that the Central Government has powers to curb illegal mining, but the nature and extent of its powers are, at present, being spelt out by a process of reasoning and not with reference to specific and clear provisions. Therefore, there is definitely a need for amending the Act, or, framing fresh rules in this behalf." Sir, we have taken a similar route. A new MMDR Act has been drafted giving direct powers to the Centre for investigation and prosecution against illegal mining through an overarching national mining regulatory authority. Setting up of special courts is also being proposed. Further, we propose stringent measures not only for cancelling the concerned lease in which the illegal mining took place but also cancelling all the other existing leases of the persons and make him ineligible for getting further leases in future.

Besides strict regulatory mechanism, we strongly believe that by involving the local host population, including the tribals as main stakeholders in the mining process and providing them the stakeholders' share of profit in the mining operation, we can curb the illegal mining at the mine level. Sir, the mafias, as almost all the hon. Members mentioned the other day is no match to the organised strength of the host population, who will have the right of direct say in the mine management. This is being proposed in the new Act.

Having said so, as I said earlier, I shall place before the House an account of what we are doing, what the Ministry is doing, in spite of the limitations of this existing Act, to contain illegal mining. After that, I will go to specific points raised by hon. Members. Sir, through the Indian Bureau of Mines (IBM), we constitute special task forces for inspection of mines in endemic

areas by taking the help of satellite imageries. Inspections were conducted in Karnataka, Andhra Pradesh, Orissa, Jharkhand and Gujarat covering 212 mines.

As a result of this extensive inspection, mining activities have been suspended in 82 mines. The IBM has also recommended termination of three leases, and, issuance of show causes for other violations in 64 cases. Further, the Central Government has been constantly interacting with the State Governments nudging them towards better regulation.

We have advised the State Governments to make use of satellite imagery in collaboration with the ISRO and the National Remote Sensing Agency to detect illegal mining. Some States have initiated action along these lines, and, I am hopeful that more States will follow the way. We have devised State-specific measures. We have been partly successful in some States by asking them to monitor transportation of illegally mined ore by securitization of transport bodies, using holograms, bar coding, price monitoring, and, registration of dealers.

Sir, in order to assist the State Governments, the Union Ministries of Railways, Shipping and the Customs Department have also taken pro-active steps to exercise effective checks at exit points.

However, something still remains to be done to tighten the regulation of transportation of minerals by road, which is well within the domain of the States. Sir, in a nut shell, this is what we have been doing through the IBM and directly in the Ministry also to contain illegal mining.

Sir, now I would like to refer to specific queries raised by hon. Members who have raised certain issues while discussing the issue of illegal mining. In his speech, hon. Member Sitaram Yechury suggested nationalization of mining activity as the way out.

Sir, I am not against nationalization, particularly, in some specific cases. Our country did take the nationalization route in the past in some cases and took over the critical assets. But in the context of illegal mining, the menace is not mining, *per se*, but it is the illegal mining. Minerals are mined, ore is produced but this is not all. It needs to be ensured that no illegal ore is produced, no illegal movement or no illegal trade shall occur. That is the most important part.

SHRI SITARAM YECHURY (West Bengal): Sir, for the sake of clarity in the House, let me say something. Is it not a fact that most of the illegal mining is being done by those who have mining licenses?

MR. DEPUTY CHAIRMAN: That is what the hon. Leader of Opposition has just now said.

SHRI SITARAM YECHURY: Therefore, nationalization route was suggested because most of the illegal mining is done by those who have licenses for legal mining. And, that is why, nationalization is the only way out.

SHRI B.K. HANDIQUE: Along with illegal miners, there are legal miners also, as the hon. Leader of the Opposition said. It is not that the illegal miners outnumber the legal miners. What do you do? It is a legal trade. It is a legitimate trade. We cannot just put an end to it. I shall come to that. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Hon. Minister, what the hon. Member wants to say is that illegal mining is carried out by the legal miners, and, there are a few instances where a person who does not hold a mining licence will go there to undertake mining, and, then, export. He cannot take that...*(Interruptions)*... So, the legal miners are mining illegally, and, that is why he suggested the nationalization route.

SHRI SITARAM YECHURY: Sir, I would like to place on record my gratitude to you for clarifying this position.

SHRI B.K. HANDIQUE: Along with the illegal mining, legal mining is also taking place. We must not forget that. Legitimate activity is also going on there. We cannot put an end to that. Sir, illegal mining will not be reduced to zero simply because nationalization takes place. Rather, as the hon. Members have said during the discussion in the House, illegal mining in coal still persists in spite of its nationalization for more than three decades. Sir, nationalization in itself cannot put an end to the illegal mining. Sir, there is one more aspect, practical aspect, of the issue, that is, with nationalization mines will be taken over. We have 4,930 non-coal mines each with area less than 10 hectares. Then again, Sir, we have 2,162 leases with each area measuring 10 and 15 hectares. Is management of such small-sized mines administratively feasible? That is the most practical question which has come before us. Further, Sir, unlike coal and oil, metallic minerals do not occur in blocks and in distinct large areas. Rather they lie scattered in localized areas and that too mixed with several other minerals. Further, as stated by Dr. Keshava Rao, the instances of back door entry of private players into PSUs through secret understanding are not uncommon. After all, nationalization operates through Central and the State PSUs. So, the real issue boils down to core governance, sometimes with misuse of discretion given to the PSUs in the name of public interest. Sir, at this moment, though I myself at one time was one of the greatest supporters of nationalization, for the time being, there are some practical difficulties for nationalizing this entire mineral production. ...*(Interruptions)*... I am coming to that.

SHRI SITARAM YECHURY: Sir, he is sounding both guilty and defensive.

SHRI B.K. HANDIQUE: Sir, hon. Member, Shri Pyarimohan Mohapatra, pointed out that the Central Government should have intervened effectively to curb illegal mining. Before that, he also said, and I discussed the matter with Mr. Mohapatra also, that the IBM should also ensure that the mining plan is all right and IBM must also ensure the rehabilitation of the mine. The point is well taken. In fact, in our new draft, we have put these provisions and see how it is carried on, and your point is well taken. I agree with other hon. Members when they say that it is

our responsibility. Yes, it is the joint responsibility of Central Government and State Governments. IBM is a technical regulator but the States are the owners of minerals. So, you cannot blame the IBM. The State Government has to take steps. Existing law does not give power to IBM to terminate the leases as the State Government is the lessor. IBM needs assistance from the States, including forest police officials, for field inspection. Generally, the IBM has been receiving a cold shoulder from the State Governments. There are instances, Sir, preventing the IBM officers from entering into the forest areas. Sir, I will tell you one instance. It is not from Orissa but it is from another State. On 4th January 2010, as per the orders of the Supreme Court, a team of IBM officials went to Gunda forests for inspection of certain mines.

The concerned forest officers, led by Assistant Conservator of Forests and his other colleagues prevented them from proceeding to the forest but also threatened them to prosecute on the plea of trespass. Then, the Secretary, Mines personally intervened and spoke to the Chief Secretary. For two days, the situation did not improve. On the 3rd day, the officials were prevailed upon and ultimately, the forest officers let the IBM officers enter the forest. So, this is the situation that we face, particularly IBM faces. Honourable Member, Shri Mohapatraji, will naturally understand their situation because he himself was, at one time, Principal Secretary, Mines in the Government of Orissa. So, he will understand what difficulties we face. ...*(Interruptions)*...

**श्री रुद्रनारायण पाणि (उड़ीसा):** आपने उड़ीसा में कहा था कि CBI inquiry होनी चाहिए। ...*(व्यवधान)*... 20 मार्च को माननीय मंत्री जी ने उड़ीसा में भुवनेश्वर में पत्रकार वार्ता में कहा था कि CBI inquiry होनी चाहिए। क्या उसके बारे में आप बयान देंगे?

**श्री उपसभापति:** पाणि जी, आप बैठिए। ...*(व्यवधान)*...

**श्री रुद्रनारायण पाणि:** महोदय, मैं हमेशा बैठता हूँ, किन्तु मुझे तो मौका ही नहीं मिला। मैं particularly कहता हूँ कि 20 मार्च, 2010 को भुवनेश्वर में पत्रकार वार्ता में माननीय खान मंत्री ने कहा था कि उड़ीसा में illegal mining के बारे में CBI inquiry होनी चाहिए। कृपया आप इसे स्पष्ट करें।

**SHRI B.K. HANDIQUE:** Sir, I will come to his point because this point has been raised by other hon. Members also. I will definitely respond to that. Sir, though the topic of discussion was illegal mining, it was suggested by some hon. Members like Shri Manjunatha, Shri Mysura Reddy and Shri Shanappa that export of iron ore should be banned. As I had stated earlier, it is a problem of governance. Problem of illegal mining is basically a problem of governance. ...*(Interruptions)*... Merely because the State Governments are not able to prevent and stop illegal mining, they should not ban the entire legal trade. That is my point which I had stated earlier also in response to a point of hon. Member, Shri Sitaram Yechury. ...*(Interruptions)*...

**MR. DEPUTY CHAIRMAN:** Let the hon. Minister complete.

**SHRI TAPAN KUMAR SEN (West Bengal):** Sir, I understand, illegal mining is a governance problem. But, the thing is that the price difference is so high in the international market that the iron ore which is being lifted at a cost of Rs.400 from Indian soil is being sold at Rs.5000 in



3.00 P.M.

international market. That itself is a big incentive for illegal mining. So, there is a linkage of it. Secondly, Sir, exporting primary materials cannot be good for developing country like us. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: It will be very difficult for the Minister if everybody starts seeking clarifications during the course of reply.

SHRI B.K. HANDIQUE: Sir, let me finish the reply.

MR. DEPUTY CHAIRMAN: Let him finish. Otherwise it will get derailed. ...*(Interruptions)*... Let us not derail it. ...*(Interruptions)*...

SHRI B.K. HANDIQUE: Sir, this point was raised earlier also. ...*(Interruptions)*... I will respond to that. Sir, I had stated earlier, the problem of illegal mining is basically a problem of governance. Merely because the State Governments are not able to prevent and stop illegal mining, they should not ban the entire legal trade. Honourable Member, Shri Manjunatha, spoke about the reported steps taken by Karnataka in this regard. Sir, the fact of the matter is that export and import is a policy in Centre's domain, as was said by the Leader of Opposition, a little while ago. After reviewing a host of relevant factors, the Ministry of Commerce takes a decision on import and export policy from time to time.

Karnataka has prohibited only the transportation of iron ore for exports, and not export as such. This should be very clear. Karnataka has not banned export and they cannot ban export. They have prohibited only the transportation of iron ore for exports, not export as such. It may send a negative signal to those engaged in the legitimate mining activities. The need of the hour is to tighten the regulatory mechanism with adequate manpower. For instance, I can give the example of Karnataka. Karnataka produces 49,000 million tons, which is just about 25 per cent of the total reserves of the country, but they have only about 200 technical personnel in the State Directorate of Mining and Geology. Sir, is it possible to enforce the regulatory mechanism in a State with this meagre staff? I feel that given the huge royalty that the State Governments earn, it is necessary for the State Governments to use a part of the royalty to improve the mineral administrative system in the State.

SHRI PYARIMOHAN MOHAPATRA (Orissa): Sir, the House is being misled. I am sorry to say so. The State Governments have a pittance as royalty.

SHRI B.K. HANDIQUE: I will come to it. Royalty is not a pittance. There is a query on royalty, I have to answer that. If the hon. Member listens to that, he will get the reply to all the points because, I have already said that all the hon. Members brought out many facets of the problem, and I will reply to all the points, and when I reply to all the points, he will get a reply. Even then, if necessary, I will again give my reply to that. Sir, further about banning of iron exports from the country, there are two aspects. If one thinks banning iron ore exports, stops illegal mining, I beg to differ. What makes us produce illegally the ore in the country in the first instance? That is most important. How can you say that there is no illegal ore production? The

second aspect is about banning the export of minerals so as to conserve them for future. This needs to be further debated because the National Mineral Policy, 2008 states that. We are guided by this policy and because the existing MMDR Act could not implement this Act and could not reflect the spirit and new thinking of the new Mineral Policy, we are thinking of redrafting another MMDR Act. "Conservation of minerals shall be construed not in the restrictive sense of abstinence from consumption or preservation for use in the distant future, but is a positive concept leading to augmentation of reserve base through improvement in mining matters, beneficiation and utilization of low grade ore and rejects and recovery of all associated minerals." Sir, that is why these two immediate problems in the country are slightly different. This is with regard to utilization of iron ore produced in the form of fines, which actually we discussed earlier also on different occasions, through questions also, and I have to give the answer again. The hon. Member, Shri M.V. Mysura Reddy, raised the issue of technology. Yes, I said, there is no technology for processing fines. But why did I say that there is no technology for processing fines? I can recommend a technology which is cost effective, which is economically viable. I cannot commend a technology which is not commercially viable and economically viable. *...(Interruptions)...*

PROF. P.J. KURIEN (Kerala): Why don't you import technology? It is available.

SHRI B.K. HANDIQUE: Technology is not imported like that. Let me complete, Sir. *...(Interruptions)...*

MR. DEPUTY CHAIRMAN: Let him complete. *...(Interruptions)...* Let the hon. Minister complete. *...(Interruptions)...*

SHRI B.K. HANDIQUE: Let me complete the reply. Then, I can keep on responding. *...(Interruptions)...* I cannot just respond. *...(Interruptions)...* Midway, I cannot respond to their questions, Sir. Technology of pelletization and sintering are known in the country for decades. Secondly, the existing pelletization and sintering technologies are cost prohibitive due to high energy costs. Rather, the industry resorts to the use of lumps which are readily available in the market. Anyhow, Sir, I do not like to take the valuable time of this august House on this issue. I urge the hon. Members to give another notice, appropriate notice, under which we can discuss the matter threadbare. Sir, I am, rather, hopeful that *...(Interruptions)...* About the new technologies.....

SHRI M.V. MYSURA REDDY (Andhra Pradesh): Sir, he is misquoting the figures. *...(Interruptions)...*

MR. DEPUTY CHAIRMAN: It is not yet completed.

SHRI B.K. HANDIQUE: Let me complete. *...(Interruptions)...* This way, there has been no answer. *...(Interruptions)...*

SHRI Y.S. CHOWDARY (Andhra Pradesh): Sir, he says 'there has been no answer!'

MR. DEPUTY CHAIRMAN: No, no, no. *...(Interruptions)...* Please don't interrupt. *...(Interruptions)...*

SHRI B.K. HANDIQUE: There will be enough time, Sir. I will be here. I can respond. ...*(Interruptions)*... I will be here to respond. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Mr. Mysura Reddy, please sit down. Let him finish. ...*(Interruptions)*... Let the Minister finish.

SHRI B.K. HANDIQUE: Let me finish. ...*(Interruptions)*... Let me finish. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Why are you jumping? ...*(Interruptions)*...

SHRI B.K. HANDIQUE: Sir, I am, rather, hopeful. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Mr. Chowdary, you are not speaking from your place. You should not speak from there. ...*(Interruptions)*... Sometimes, you sit here and sometimes, you sit there.

SHRI B.K. HANDIQUE: Sir, a question is being raised: why isn't the technology imported from outside? We can import it, but we have to raise the process. We cannot import a technology like that. I am, rather, hopeful that some new pelletization plants are being proposed in India and that would, perhaps, address the issue. So, the industry has to come; the industry has to go in for technology and there are proposed integrated steel plants that will go for this pelletization aspect. This is how it is done.

Sir, hon. Member Mr. Manjunatha and hon. Member Dr. Shanappa have suggested that value additions should be promoted within the country. Let me point out that in case of iron ore, not only steel-making but extraction of minerals involves value additions, successive benefaction, upgradation of all by using zero waste mining technology.

Hon. Member Ram Kripal Yadav, and also the hon. Leader of the Opposition, said that the rate of royalty is too low. The hon. Members have stated that while immense profits are generated in the sale and export of iron ore, the royalty at a very low rate of Rs.21 is levied on iron ore. It is said by Mr. Ram Kripal Yadav, but it is not true, Sir. The royalty rates were enhanced in August, 2009 and changed from tonnage to ad valorem basis, and a royalty on iron ore is now around Rs.125/- per tonne; not Rs.21/-. In the case of iron ore, this has led to a tremendous increase in revenues to the State Governments. In Chhattisgarh, the royalty accruals increased to Rs.358 crores, in the year 2009-10, as compared to only Rs.61 crores, in the year 2008-09. Similarly, in Jharkhand, the royalty collection increased from Rs.34 crores to Rs.154 crores. In Goa, the same has increased to Rs.255 crores, from Rs.25 crores, and in Karnataka, it has increased to Rs.309 crores, from Rs.104 crores. ...*(Interruptions)*...

AN HON. MEMBER: What about Karnataka? ...*(Interruptions)*...

SHRI M.V. MYSURA REDDY: What about Andhra? ...*(Interruptions)*...

SHRI PYARIMOHAN MOHAPATRA: Five years' boom gone!

SHRI M.V. MYSURA REDDY: Sir, it is only Rs.20/- per tonne.... ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Please sit down. Let the hon. Minister complete the reply. ...*(Interruptions)*... Let the Minister complete the reply. ...*(Interruptions)*...

SHRI B.K. HANDIQUE: You see, it has increased to Rs.319 crores, from Rs.104 crores. ...*(Interruptions)*...

SHRI PYARIMOHAN MOHAPATRA: What is the big deal? ...*(Interruptions)*...

SHRI B.K. HANDIQUE: I can give the whole list. I have the list with me. But I have said this much. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Please. ...*(Interruptions)*...

SHRI PYARIMOHAN MOHAPATRA: Sir, if this ten per cent *ad valorem* had been given earlier, in five years Orissa would have got Rs.25,000 crores revenue. ...*(Interruptions)*...

SHRI B.K. HANDIQUE: The royalty revision is done in every three years. The last revision was done in 2009-10. ...*(Interruptions)*... It was almost doubled. It was increased from Rs.2,450 crores ...*(Interruptions)*... What did you do with your royalty? ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Hon. Minister, you please continue. ...*(Interruptions)*...

SHRI M.V. MYSURA REDDY: You will get more revenue by value addition rather than royalty. ...*(Interruptions)*...

SHRI B.K. HANDIQUE: Sir, I am giving you the facts. ...*(Interruptions)*... I am giving the stark facts. ...*(Interruptions)*... Earlier it was Rs.2,450 crores and after royalty was paid it went up to Rs.4,250 crores. It is for all the States taken together. It is done every three years. It may be more, I don't know. It may be less for next three years. But we will go in for a second revision. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Just one minute. The sentiments of the House look to be that whatever the figures you gave, Rs.250 crores or Rs.150 crores or Rs.25 crores, are nothing before the total volume of illegal mining. Those are the sentiments of the House. If you could address that, it would be better. ...*(Interruptions)*... Please. ...*(Interruptions)*...

SHRI PYARIMOHAN MOHAPATRA: Sir, just one minute. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: I have studied the sentiments of the House and conveyed them to the hon. Minister. ...*(Interruptions)*...

SHRI Y.S. CHOWDARY: Sir, without increasing the royalty, the quantity can be increased. ...*(Interruptions)*...

SHRI PYARIMOHAN MOHAPATRA: Sir, it is not a question of so many crores of rupees. The highest grade got Rs.27 per tonne. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Please. ...*(Interruptions)*... He will answer it. ...*(Interruptions)*... Mr. Chowdary, please sit down. ...*(Interruptions)*...

SHRI M.V. MYSURA REDDY: Sir, let me ask: How much illegal export is going on?  
...(Interruptions)...

MR. DEPUTY CHAIRMAN: No, please.

SHRI B.K. HANDIQUE: Sir, this is the problem. When I answer one point, they will ask a question on a different point. ...(Interruptions)... Let me finish first and let them ask questions later. I respect the sentiments of the House, as you have stated yourself. I have said that the revision is done in every three years. In the next revision we will see how we can do justice to them. Our aim is always to give more and more. This is what has actually come. This is the accepted formula compared to 2008-09. ...(Interruptions)...

MR. DEPUTY CHAIRMAN: You carry on. ...(Interruptions)... You please continue. We have a lot of business to do today.

SHRI B.K. HANDIQUE: There is a piece of information, Sir, which I didn't say. I will tell you now. In 2004-05, it was ...(Interruptions)... Anyway, I will send it to them. ...(Interruptions)...

SHRI M.V. MYSURA REDDY: We are not asking for royalty. We are asking for value addition. ...(Interruptions)...

MR. DEPUTY CHAIRMAN: No. Mr. Mysura Reddy, please.

SHRI B.K. HANDIQUE: You ask as many questions as you like. But let me finish my speech. ...(Interruptions)...

MR. DEPUTY CHAIRMAN: Mr. Mysura Reddy, the hon. Minister is replying Member-wise.

SHRI B.K. HANDIQUE: Hon. Member, Ms. Sushila Tiriya raised a point about the welfare of the local people and the development of local area. The revenue, as stated above, collected by various State Governments in the form of royalty would be utilised very effectively for the welfare of the people and the development of the area. The mining sector provides employment to a large number of people in the country, though there is a need to curb illegal mining and it goes without saying that suitable incentives and protection need to be provided to legal mining.

Sir, the hon. Member, Shri Shantaram Naik, demanded that the CBI should inquire into the matter. I would like to inform the hon. Member that we have offered assistance to the State Government in investigating mining cases, including by Central investigation agencies. You are aware that the Central Government cannot unilaterally impose a CBI inquiry on any State. It is there in the rules. Even in our responses to PILs filed in the High Courts of Orissa and Karnataka, seeking CBI investigation, we have unambiguously submitted before the hon. High Court, that if the hon. High Court gives a proper direction, we are ready for an investigation by the CBI. Against this background, the Union Government has decided to set up a Commission of Inquiry. Some hon. Members, including Shri Raja, — of course, he also endorsed the view about

nationalization, and I forgot to mention his name; I have already replied to it — and Dr. Keshava Rao, have mentioned that sufficient evidence is available to take action against illegal miners, without waiting for the Commission to come to a conclusion. The Ministry will not be waiting for a commission to complete its inquiry. It is only that we want certain information for strengthening the hands of the Ministry. That is what we said, it will go into cases of illegal mining to a wide extent and, if possible, identify persons, because that will help us investigating cases of illegal mining. This is nothing to suggest that, first of all, an Inquiry Commission will complete its inquiry and then the Ministry will take action. These will go together. We are not waiting for the Commission of Inquiry to submit its Report. But we want the Report for future use.

A concern has also been voiced about encroachment of forest areas by way of illegal mining. The State Governments have been advised to use satellite imageries to identify such encroachments, which I have already mentioned, and to take stringent action against illegal miners. Separately, the Government is identifying areas where the forest coverage is low. The Indian Bureau of Mines is developing mineral area maps showing forest cover for this purpose. Naturally, the Government is thinking of another possibility now. In forest areas, there will be one 'go-area' and one 'non-go-area'. When that happens, we shall take steps accordingly. This will also address the concerns of the hon. Members, Dr. Keshava Rao and Shri K.V. Ramalingam, that mining should not be permitted in eco-sensitive areas. In this respect, I would say that we, and even the Ministry of Environment and Forests, have already decided that the forests will have a no-go-area. We will stick to that. Therefore, even though minerals are found in that area, mining will not be allowed; no mining lease will be issued.

Another suggestion was to amend various provisions of the Act, given the change of time and the magnitude of challenges in the mineral sector in the last more than five decades. We are only waiting for a complete overhaul of the Act. It has been put for consideration before the GoM. The moment the work is completed, I hope to come back to the House, as early as possible, with the new Bill. In the new Bill, there will be many more new provisions. This will not be for tackling illegal mining alone, but it will have a holistic approach towards the entire mineral sector reform.

Sir, coming to the points raised by the Leader of the Opposition, as for royalty, we have given enough, as far as we are concerned. The hon. Members are not happy. I will have a re-look at the matter. We have a certain principle on the basis of which we determine royalty. We revise it every three years. When we revise it the next time, let us see if we could do something more.

The hon. Leader of the Opposition also feels that there should be a new law or, at least, some provision in the existing Act which could give us the power to tackle the new situation. We hope that the new Bill that we are drafting now will give us a long handle not only to curb and contain illegal mining, but also to look into the other aspects of the mining sector, particularly, the concession, because we want to make it a seamless transition, from one stage of

concession to the next stage of concession. Now, we have kept the 'first-in-time' principle that the hon. Leader of Opposition has referred to. In the notified areas, even now it is not first-come-first-serve basis. So, we would have a holistic view and as approach towards all these problems facing this mining sector. I do believe that with the cooperation of the hon. Members, we will be able to do justice. Thank you, Sir. ...*(Interruptions)*...

SHRI SITARAM YECHURY: Sir, since I raised the discussion...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: I am sorry, I cannot start one more round of discussions. We have other business...*(Interruptions)*...

SHRI SITARAM YECHURY: Sir, the hon. Minister, in his reply, has said that the problem of illegal mining is actually the problem of governance. Now, if a Government does not wish to govern, it is the job of the Legislature to put a check on that Government. And, as the Legislature, I am rising here to ask you, since you are not in a position to govern properly — you mean, not the Central or the State Governments, but whoever is there — let this Legislature be brought into play. Let us legislate to nationalize these resources. Now, since he has admitted that they are not governing properly, this is the only recourse. So, why is the Government not accepting this recourse?

MR. DEPUTY CHAIRMAN: He has already replied to that.

SHRI SITARAM YECHURY: Secondly, Sir, I feel that the dimension of the problem is not being understood. It is not only a remarkable, massive *loot* of our resources, but is also causing collateral damage to everything — our environment, our agricultural productivity, our democracy, our polity and the way this ill-gotten money is being used to influence the political direction and democracy in our country. Does the Government recognize the magnitude of the problem?

SHRI PRAKASH JAVADEKAR (Maharashtra): Sir, there is a point of propriety which I must bring to your notice. We are discussing illegal mining. Last week, the Minister, while replying to another question, had said that they were devising a formula of giving 26 per cent partnership to the tribals who would be uprooted, and the very next day, newspaper reports quoted the Secretary of the Department saying that this proposal of 26 per cent was not practicable, the industry had resisted it and so, they were considering creation of a fund which would take care of it. Sir, I want to point out that this is gross impropriety.

PROF. P.J. KURIEN: Sir, it is worrisome that illegal mining is taking place in a huge way, but the Minister has not mentioned any effective measures to stop it. I am not a great supporter of nationalization, but I would like to ask you, if there is no other way to stop illegal mining, why don't you consider nationalization?

DR. K. KESHA RAO (Andhra Pradesh): As Mr. Yechury said, the Minister has admitted to non-governance. It has a collateral effect on the polity and democracy. Now, with all the files

that he is having in his hands, all the issues being before the Minister and all the decisions having come to him, as the Supreme Court has said, how is that we are trying to go in for a Commission of Inquiry for 18 months? In the meanwhile, will you take some action against the people whose files are before you, whose decisions are before you? ...*(Interruptions)*...

SHRI Y.S. CHOWDARY: The Minister was saying that there is no technology available in this country whereas we are in the global-village era, the technology is very much available and the Minister seems to have been satisfied with the post-mortem report about the illegal mining.

SHRI M.V. MYSURA REDDY: Sir, we are not satisfied with the reply of the Minister because he has given a pill for a leg when I am having pain in the abdomen. I raised in my speech about the barren mines. While he was replying to the debate in Lok Sabha ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: Please understand the time factor. Please put pointed question. Please do not refer to your speech.

SHRI M.V. MYSURA REDDY: Sir, I would take just half a minute. Reservation means blocking an area for certain length of time for conservation. The Andhra Pradesh Government issued a G.O. No. 64 on 30.6.2005 for exclusive exploration. Which is the correct one? It is for conservation or for exploration? I raised this point in my speech. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: He has replied to every question. Please do not insist. ...*(Interruptions)*... Be brief Mr. Mohapatra.

SHRI PYARIMOHAN MOHAPATRA: Five years before the revision of royalty to 10 per cent *ad valorem*, the ruling price was somewhere between Rs.5,500 to 7,000 per tonne. The royalty for the highest grade of iron ore was Rs.27 per tonne against an average price of Rs.5,500 to 5,800 per tonne. The cost of iron ore at the pithead was somewhere at Rs.300 plus transport, etc., making it to Rs. 800. Rs.5,000 was the profit! Out of that, in spite of six Chief Ministers requesting for a revision of royalty of 10 per cent *ad valorem*, today we are told, after we lost tens of thousands of crores of rupees for the States, that we are being given a decent 10 per cent *ad valorem*. Why is it so? ...*(Interruptions)*...

SHRI D. RAJA (Tamil Nadu): Sir, I have only two queries. One is, in his own formal statement made to this House, the Minister has admitted that due to combination of reasons in the recent years, the incidence of illegal mining has grown considerably. This problem is acquiring organized dimensions and mainly to a nexus between criminals and anti-national elements.

The hon. Minister should explain what the Government is going to do to break this nexus and save the country's interests. This is number one. Number two, in case of natural gas, the Government has accepted it is the national asset, the Government is the sole authority and the owner of the national asset. In case of minerals, why is the Government not taking that stand?



That is why we are demanding all minerals should be nationalized. ...*(Interruptions)*... It should not be plundered by the anti-national elements. The Government is the owner of it. ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: I think, it is not possible to allow everybody. ...*(Interruptions)*... I have to stop at some stage. I am saying this because we have taken one-and-a-half hours only for reply, and there was discussion on it for two-and-a-half hours. When are we going to complete the other Business of the House? ...*(Interruptions)*... Yes, Mr. Minister, please reply. ...*(Interruptions)*... I can't help. ...*(Interruptions)*... I can't help. ...*(Interruptions)*... I can't help.

SHRI B.K. HANDIQUE: Sir, very briefly, I will reply. ...*(Interruptions)*...

**श्री राम कृपाल यादव:** उपसभापति जी, मैं मंत्री जी से पूछना चाहता हूँ कि ...*(व्यवधान)*...

**श्री उपसभापति:** कभी-कभी होता है, बैठिए, आप mines पर बहुत अच्छा बोले हैं...*(व्यवधान)*... It is on record. Don't worry. ...*(Interruptions)*... Mr. Minister, please be brief, as we have other Business. ...*(Interruptions)*... Please, be brief.

SHRI B.K. HANDIQUE: Sir, I can assure the House that with the new Act in force, it is not much time we have to wait for. There will be better governance. That much I can assure you. I only appeal to them to give the Ministry a chance; give us a chance to work. ...*(Interruptions)*...

SHRI TAPAN KUMAR SEN: Someone has to stop that. ...*(Interruptions)*... He himself said... ...*(Interruptions)*...

MR. DEPUTY CHAIRMAN: I think, we have to end this now. ...*(Interruptions)*... Mr. Minister, just to summarise the feelings of the hon. Members, they want a strict action for illegal mining. That is one. ...*(Interruptions)*... They want some strict action, please do it. That is what the sentiment of the House I am expressing. ...*(Interruptions)*... You take appropriate action as the Government feels. ...*(Interruptions)*... Now, we take up the Indian Medical Council (Amendment) Bill, 2010. ...*(Interruptions)*... Shri Ramdas Agarwal to move the Statutory Resolution; he is absent. Now, the hon. Minister to move the Bill.

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## GOVERNMENT BILL

### The Indian Medical Council (Amendment) Bill, 2010

THE MINISTER OF HEALTH AND FAMILY WELFARE (SHRI GHULAM NABI AZAD): Mr. Deputy Chairman, Sir, I move that the Bill further to amend the Indian Medical Council Act, 1956, as passed by Lok Sabha, be taken into consideration.

Sir, at the outset, I would like to clarify that the Indian Medical Council (Amendment) Bill is only seeking the approval of the House to replace the Ordinance.

As the hon. Members are aware that certain unfortunate incidents unfolded, as far as the Medical Council of India and its former President was concerned. This evoked a lot of media