

we should discuss foreign affairs and I do not know whether ultimately the Prime Minister would agree; if so, that should also be included in the List of Business for the current session.

MR. DEPUTY CHAIRMAN: We shall see about it.

SHRI RAJENDRA PRATAP SINHA (Bihar): I wish to point out that there was a motion of Pandit Kunzru. That was also decided. We should include that.

MR. DEPUTY CHAIRMAN: The Ministry is being consulted and if it agrees, it will be included.

SHRI RAJENDRA PRATAP SINHA: The other thing is, it was said that you should have laxity and the Chair should allow extension of time. If necessary, we are prepared to sit through lunch-hour. If there are some members . . .

MR. DEPUTY CHAIRMAN: Sit through lunch-hour?

SHRI V. PRASAD RAO (Andhra Pradesh): I have given notice of a 'Half-an-hour Discussion' on the Sin-gareni Collieries. It has not been mentioned in this,

MR. DEPUTY CHAIRMAN: We shall decide about it.

SHRI AMOLAKH CHAND (Uttar Pradesh): May I know whether the Trade and Merchandise Marks Bill, 1958, which you have just announced is only for reference to the Joint Select Committee or for passing?

MR. DEPUTY CHAIRMAN: It is only for reference to the Joint Select Committee.

THE MINES AND MINERALS (REGULATION AND DEVELOPMENT) AMENDMENT BILL, 1958

THE MINISTER OF STEEL, MINES AND FUEL (SARDAR SWARAN SINGH): Sir, I move:

"That the Bill to amend the Mines and Minerals (Regulation and Development) Act, 1957, for the purpose of exempting mining leases granted before the 25th day of October, 1949, in respect of coal from certain provisions of that Act in view of the importance of such leases in the context of coal production generally, as passed by the Lok Sabha, be taken into consideration."

The Central Government came into the picture in the matter of regulating the grant of mining leases with respect to various minerals for the first time in 1948. Before 1948, the various Provincial Governments were the appropriate authorities for controlling the issue of mining leases and other leases like prospecting lease and the like.

SHRI H. P. SAKSENA (Uttar Pradesh) : And Indian States also.

SARDAR SWARAN SINGH: My hon. friend is quite correct for, before the integration of the erstwhile Indian States, those States were the authorities that controlled the issue of mining leases and other leases for the exploitation or exploration of minerals. Not only that, Sir, even the State Government in certain areas, at any rate, exercised very little control. This was particularly so in the permanently settled areas like Bihar and West Bengal. The zamindars there had equal authority to issue mining leases. The result was that these zamindars issued mining leases which varied from one another in all possible respects. They varied from one another in the matter of areas involved. With regard to period also cases are not unknown where the period of leases extended almost to perpetuity, although it was described as 999 years. Even with regard to royalty, the rates of royalty varied from lease to lease.

SHRI V. PRASAD RAO (Andhra Pradesh): It varied from one to three or four annas.

SARDAR SWARAN SINGH: No, this is an understatement. Probably, it varied from zero to anywhere up to seven, eight or nine annas. That was really the state of affairs when the Government of India, for the first time in 1948 started taking some interest in this matter. The Mines and Minerals (Regulation and Development) Act, 1948 was enacted by having recourse to an Entry in the Government of India Act. So far as the present discussion is concerned, sections 5 and 7 of this Act are of some importance.

SHRI AMOLAKH CHAND (Uttar Pradesh): Which year? 1957?

SARDAR SWARAN SINGH: 1948.

Under section 5, the Central Government had authority to make rules by notification for regulating the grant of mining lease or prohibiting the grant of such lease in respect of any mineral in any area. Then, Sir, the various subjects under which that rule-making power could be exercised are also enumerated under sub-section (2) of section 5.

Under section 7 of this Act of 1948, the Central Government has been given authority to make rules for the purpose of modifying or altering the terms and conditions of any mining lease granted prior to the commencement of the Act, so as to bring them into conformity with the rules made under the provisions of this Act of 1948. It is clear, therefore, from these two provisions of the Act of 1948, viz. sections 5 and 7, that the Central Government armed itself with the power to frame rules regulating the issue of new mining leases in a prospective area and they also had the power to frame rules under which the existing mining leases—by 'existing' I mean those that were existing in 1948—could also be modified so that they could be brought in conformity with the rules that are framed under the Act of 1948. As a result, the Mines and Mineral Concession Rules were framed by the Government of India

in the year 1948—or probably, his was in 1949. Actually, the Mineral Concession Rules 1949 were subsequently framed and enforced on October 25, 1949. Under these rules, it was specified that mining leases could not be issued with regard to areas beyond a certain limit. The period for which it could be issued was also specified, and it was also laid down that the rates of royalty on minerals would be according to the rates which were specified in those rules. This indicates that the Mineral Concession Rules, 1949 did, for the first time, provide an effective apparatus for controlling the issue of mining leases.

SHRI H. P. SAKSENA: And a good revenue too.

SARDAR SWARAN SINGH: Yes, a good revenue too, as my hon. friend has pointed out. And besides revenue, Sir, the more important thing that was intended to be ensured was that people may not collar valuable areas in the hope that at some distant time they can make money over them by transferring them to others, or at least to prevent their exploitation in a particular manner.

SHRI BHUPESH GUPTA: But some had done it very successfully.

SHRI V. PRASAD RAO: What about jagirs?

SARDAR SWARAN SINGH: I thought jagir was a matter of the past. What I am submitting is that these measures in the form of an Act and in the form of concession rules did provide a fairly good check on the mineral exploitation and sufficient control over the issue of mining leases.

Sir, there is one other point which I would like to mention in this connection. Under section 7 also rules were framed. They broadly created a

machinery which looked into the mining leases and initiated action to bring those mining leases in conformity with the general principles enunciated either in the Act or in the mining leases, and action was being taken with regard to old mining leases so that the anomalies of the type which I mentioned earlier could be got over. Sir, the important thing for the purpose of our present discussion is the fact that coal as such was kept out of the purview of the rules framed under section 7 of the Act of 1948, meaning thereby that Government came to the deliberate conclusion that coal is a subject by itself and requires special treatment in view of its being a basic fuel and in view of the history of its development, and it was felt that application of the rules in the strict form in which it was contemplated might lead to an unsettling effect, and it was, therefore, considered fit and proper that coal might be kept apart for separate treatment.

Then, Sir, I come to the year 1957. Parliament went into all these various aspects and certain provisions which were originally contained in the Mineral Concession Rules were actually transported into the main Act itself, and the Mines and Minerals (Regulation and Development) Act, 1957, was passed by both Houses of Parliament in 1957. There are two sections of this enactment of 1957 which are relevant for the present discussion. They are sections 9 and 16. Section 9 states as follows:

"The holder of a mining lease granted before the commencement of this Act shall, notwithstanding anything contained in the instrument of lease or in any law in force at such commencement, pay royalty in respect of any mineral removed by him from the leased area after such commencement, at the rate for the time being specified in the Second Schedule in respect of that mineral."

This meant, Sir, that coal, which had been kept outside the purview of

the Act of 1948 in the matter of payment of royalty on old leases and which was also not covered by the rules which were framed under section 7, by one stroke, became subject to the revised rates of royalty which were not specified. Therefore all those various anomalies to which I drew the attention of the hon. House at the commencement of my submission were attempted to be done away with just with one jerk. This is one provision which is relevant for the discussion that we are having today.

SHRI V. PRASAD RAO: May I know whether the Second Schedule, so far as coal is concerned, has been enforced after the enactment of the 1957 Act?

SARDAR SWARAN SINGH: The Act of 1957 itself has not yet been enforced.

The other section, Sir, is section 16. Under section 16(1) it has been stated as follows:

"All mining leases granted before the 25th day of October, 1949, shall, as soon as may be after the commencement of this Act, be brought into conformity with the provisions of this Act and the rules made under sections 13 and 18:
* * * * *

That is to say, both with regard to areas as well as with regard to periods, section 16 left no option whatsoever, and by operation of law, the mining leases, even of dates prior to 1949, would come within the mischief of this, and they would automatically have to be altered, both with regard to areas as also with regard to periods. Now, Sir, it is no doubt correct that the Central Government was given power for certain reasons to make an exception. For instance, there is a proviso here which says:

"Provided that if the Central Government is of opinion that in the interests of mineral development it is expedient so to do. it

[Sardar Swaran Singh.] may, for reasons to be recorded. Permit any person to hold one or more such mining leases covering in any one State a total area in excess of that specified in clause (b) of section 6 or for a period exceeding that specified in subsection (1) of section 8."

Now, Sir, as I submitted earlier, coal, from the very beginning, has been treated as a subject of sufficient importance to be dealt with separately. But the effect of section 9 and section 16 of Act No. 67 of 1957 was to make automatic alterations both in the rates of royalty to be paid and also with regard to the terms of the lease. Now, Sir, this matter was carefully gone into and it was felt that in view of the heavy development programme before the coal industry, both in the public sector and the private sector, during the Second Five Year Plan period, this point of time was an opportune for effecting radical changes of this type. With regard to rates of royalty, as was pointed out by the hon. Member over there, they vary from almost nil in certain areas to as much as six annas, seven annas or eight annas. They vary from area to area, and even with regard to periods and areas there is a great disparity. Therefore, Sir, the original policy of treating coal as a separate subject appears to be more wise and that gives sufficient elasticity to progressively bring into line these old leases with these new principles in the matter of royalty as well as in the matter of areas. It is for this reason that the present amending Bill has been brought forward.

The operative part of this Bill is the addition of a new section called section 30A which provides:

"Notwithstanding anything contained in this Act the provisions of subsection (1) of section 9 and of subsection (1) of section 16 shall not apply to or in relation to mining leases granted before the 25th day of October, 1949, in respect of coal." That is more or less the negative part

of it. And what I am going to read now is the positive part:

"But the Central Government, if it is satisfied that it is expedient so to do, may, by notification in the Official Gazette, direct that all or any of the said provisions (including any rules made under sections 13 and 18) shall apply to or in relation to such leases subject to such exceptions and modifications, if any, as may be specified in that or in any subsequent notification".

Therefore, this phraseology apart, the substance of this amending legislative measure which is before this august House for consideration boils down to this, that whereas under section 9 and section 16 of Act 67 of 1957 we are left no option whatsoever with regard to pre-1949 leases in the matter of upward revision of rates of royalty or modification of the terms of the lease with regard to areas and periods, now the intention is to phase • these increases and to modulate these variations so that they do not cause a sudden upsetting in the coal economy and it does not affect the production programme in this vital sector of coal. It was considered after very careful analysis that an upward revision of rates of royalty in certain cases maybe as much as, say, 12 or 14 annas, per ton, because the existing rate of royalty in certain areas is very small, maybe one anna or half an anna and 5 per cent, of the pit-head value would easily increase the rate of royalty by 12 annas or 14 annas because if the pit-head value is taken as anywhere between Rs. 16 to Rs. 20 then one-twentieth of that will easily work out to a figure which will push up the rate of royalty rather abruptly. We do not accept the industry's viewpoint that every upward revision of the rate of royalty should necessarily be reflected in the prices of coal. The prices of coal, as this hon. House, no doubt, is aware, are controlled. Therefore, all those elements which go on the side of cost cannot be ignored while fixing the price of coal. Therefore, in those cases where there is this automatic

upward revision of the rate of royalty, which, as I have indicated, may be of the order of 12 as. to 14 as. it is bound to have an effect upon the price structure. The present price structure, it was felt, has not got a cushion large enough to absorb the increase in the rate of royalty in all cases. This would, therefore, inevitably result in an upward revision of the prices of coal which it was considered, will create a rather unfortunate position, because coal being a basic fuel, any upward revision in its price structure is bound to be reflected in an upward revision of prices in many other commodities like cement, steel and other important articles which are produced by the industries. It is for this reason, therefore, that by this amending Bill that mistake is sought to be rectified. Instead of giving those increases automatically, power will now be taken to phase them in such a way that the upward revision is not pushed up to the maximum limit with one jerk, but it is so phased that it does not cause any upset in the coal production programme and in the economy of the country as a whole.

I am sorry I have taken so much time over this, but in view of the history of this legislation, I thought I might take the House into confidence and so I made an attempt to explain the reasons for bringing forward this amending Bill.

SHRI AMOLAKH CHAND: Sir, may I put a question? If I recollect aright, in the Schedule to the 1957 Act, the royalty is 50 Naya Paise, maximum which would mean only 8 as. But the hon. Minister was saying that it would be about 12 as. to 14 as. So I would like to know what is the present royalty on coal and what would be the future royalty which the Government proposes to have after getting this Bill passed.

SARDAR SWARAN SINGH: So far as the Act of 1957 is concerned, in the Second Schedule, item 1, the royalty on coal is 5 per cent, of the f.o.r. price subject to a minimum of 50 Naya Paise.

SHRI AMOLAKH CHAND: So it is if the minimum.

SARDAR SWARAN SINGH: Yes, that is the minimum and 5 per cent, of the f.o.r. price has to be taken. As I described, the pit-head value is between Rs. 16 to Rs. 20 and if you take one-twentieth of Rs. 16 or Rs. 20 it comes to the figure that I have indicated. It is not a maximum of 50 Naya Paise. It is the minimum of 50 Naya Paise. Therefore, this is the rate of royalty. With regard to leases which were executed after the enforcement of the Mineral Concessions Rule, 1949, also the rate in the case of coal was 5 per cent, f.o.r. subject to a minimum of 8 as. per ton. Therefore, in the case of mining leases which were executed after the commencement of the 1949 rules, the rates of royalty are those rates which are also mentioned in the present Schedule; but the difficulty is with regard to pre-1949 leases.

MR. DEPUTY CHAIRMAN: Motion moved:

"That the Bill to amend the Mines and Minerals (Regulation and Development) Act, 1957, for the purpose of exempting mining leases granted before the 25th day of October, 1949, in respect of coal from certain provisions of that Act in view of the importance of such leases in the context of coal production generally, as passed by the Lok Sabha, be taken into consideration."

We have just one and a half hour. Please be short.

SHRI V. PRASAD RAO: Mr. Deputy Chairman, we perfectly realise that coal is our basic fuel and it is going to continue to be our basic fuel in spite of the invention of atomic power and other things for some time to come. We support every measure that is going to fulfil the target of 60 million tons of production. But the question here is whether it is really necessary to exempt coal as such from the operation of the Second Schedule, that is to say, from the increase of royalty as such. I have carefully heard the hon.

[Shri V. Prasad Rao.] Minister, but I feel that no case has been made out for the exemption of coal as such. Of course, from every side care must be taken as I said just now, to see that nothing is done which might hamper the production of coal as such. But the question here is one of exempting nearly 80 per cent, of the colliery owners from the increased rate of royalty, on the plea that it is going to enhance the cost of production of other materials like steel and other things. I could have very well understood and supported the Minister if a case had been made out that by an increase in royalty the actual cost would go up. Is it a fact? I do not think so. It does not bear the testimony of facts. If we look into the question of profits and if 1939 is taken as the base year, by 1955 the index of profits has gone up by 342 per cent. If you take the actual price of coal itself, it has gone up by 600 per cent. Today the price of coal, as has been pointed out by the hon. Minister, varies between Rs. 36 and Rs. 42; of course it depends on the grade of the coal and the variety of the coal.

SARDAR S WAR AN SINGH: It is Rs. 16 to Rs. 20.

SHRI V. PRASAD RAO: Perhaps; but still the price of coal has gone up, when compared to 1920, by 600 per cent, and the profits also have gone up by 342 per cent, if 1939 is taken as the base year. If we increase the royalty, could not these 80 per cent. of the lease holders who got their leases at fantastic terms from the zamindars, from the feudal lords, from the then existing provincial governments and from the then existing feudal States, could they not be made to pay that without increasing the price? Is it not feasible and is it not economical, without increasing the price of coal, to meet this from the profits? I shall draw the attention of the hon. Minister to the report of the tribunal that was appointed to go into the question of mine workers. And there it was clearly pointed out that even without increasing the price of coal itself the colliery owners should be able to pay

the increased rates of wages for the workers. Many of the collieries have not so far implemented that decision; it is only a very few colliers that have implemented that decision. And those collieries that have implemented that decision have been granted by the Government a rise in the price. Therefore I think it will be perfectly possible for these colliery owners who are getting each year as profits more than what they have invested to pay this increased royalty without increasing the price of coal. If I am given time I am prepared to place on the Table of the House some of the Balance Sheets of the British-owned collieries which are paying as profits and dividends each year a sum equivalent to their paid-up capital. If the paid-up capital is Rs. 20 lakhs, there are certain collieries that are paying as dividends every year Rs. 20 lakhs. When that is the position, I do not understand why they should now come and say that they are not in a position to pay this increased rate of royalty. I do not think that the Ministry has gone fully into this question of rate structure as such because I find nothing in the arguments of the hon. Minister. He has only repeated the arguments of the President of the Indian Mining Association who says that unless the lease area is increased, unless a better quality of coal is got, there is no justification for increasing the royalty. It is very strange that the same argument is being repeated by the hon. Minister here that the coal mine owners, poor chaps, are not in a position to pay this and unless they increase the price they cannot bear this additional royalty. It is a strange thing in view of the facts that we have before us. Sir, there are certain British colliery owners who, disregarding our national interests, are depleting our resources, whose mines should have been taken over without any compensation, whose pits are nothing like mines but real death pits for the workers and our Ministry is paying more attention to the profits of such people than to our national needs. They are the people who are depleting our resources of metallur-

gical coal, because of easier exploitation. If I may illustrate, there are certain collieries in Bihar, some few mines which are giving us this metallurgical coal. Exploitation of this metallurgical coal is easier than other types of coal. Because it is easier to produce, it is easier to make money, some of the British colliery owners, disregarding our national interests, are depleting our resources of this metallurgical coal, and cheating the nation and also cheating the Government to some extent. Are we to consider the case of such people? I do not think their case needs to be considered. I can understand if some of the small colliery owners come and say that they are not in a position to pay this! Even there when we suggest that these small collieries, in the interest of production, should be amalgamated, so that our production could be increased, no such steps are being taken. Leave alone the question of nationalisation; of course we still very strongly feel that only by nationalisation of these coal mines we can preserve the fast depleting resources of metallurgical coal and also increase the production of coal. That is the ideal thing. Nowadays the private interests and the colliery owners have started a big and scandalous propaganda that it is only they who can raise production and not the public sector. But, Sir, they are trying to increase production at the cost of the workers, at the cost of the blood of the workers. And the result is the accident at Chinakuri. What a disastrous and ghastly accident took place at Chinakuri, I need not repeat, but the point is at the cost of amenities to the workers, at the cost of the blood of the workers, they are making the mines death pits and extracting coal and by exploiting the labour they have been able to increase the production a bit and they want to juxtapose this with the public sector in order to say that they alone can increase production. I want simply to ask the hon. Minister, are they feeling diffident that the public sector would not be able to fulfil the quota of 12 million tons during this Plan period? Is it because

of that they want to give this concession to the private colliery owners and exempt them from the operation of the 1957 Act? Or else, what is the exact reason why they want to exempt them? Sir, no case has been made out as far as the increase is concerned and still if the Minister is pleading for this Bill to be passed, I can only expect that the Government is feeling very diffident that the quota of 12 million tons could not be fulfilled; or else there is no other reason. Sir, if the Government is prepared to pool the resources of the small mines by amalgamating them and making them efficient working units, if the Government is prepared to take the cooperation of labour, if the Government is prepared to take the wholehearted cooperation of the people themselves, then certainly we can achieve the target of 60 million tons without any difficulty but as long as the Ministry is thinking in terms of placating the interests of the colliery owners, as long as the Ministry is thinking in terms of satisfying the needs of the colliery owners, then certainly I do not think the nation would be able to fulfil the target of 60 million tons. So what I would urge upon the Minister is—I am not belittling the magnitude of this problem—to give it a little more thinking and to examine the suggestions that we have made. If not by nationalisation, at least by amalgamation of the small mines, by curtailing the activities of some of the British colliery owners who are fast depleting our resources of metallurgical coal, by seeking the cooperation of the working people and by seeking the cooperation of the public we shall, even without these concessions, certainly be able to fulfil the target of 60 million tons. Thank you.

SHRI ABDUL RAHIM (Madras): Mr. Deputy Chairman, I would take this opportunity of pointing out certain mistakes in the mining rules that are already in existence.

As the hon. Minister has said, the Mining Rules were introduced only in the year 1949 or 1948 and they were not framed fully well to the advantage

[Shri Abdul Kahim.] of the private sector as such. In those days, when the Britishers were ruling, the Mining Rules were introduced probably in the year 1886 only to the best advantage of the British mine-owners, whose number was a handful. Those mineral leaseholders were completely exploiting the mineral wealth of India to their best advantage, and there are instances now to show that the rules framed in those days are so rigid that no Indian can boldly come forward to take up this industry, and though the rules as the hon. Minister has said were amended in 1943, they were not totally amended, and the old rules are still there, which stand in the way of others taking to this industry. The mineral wealth of India, as you know, has not been fully exploited either by Government or by the private sector. It is most important that it has to be exploited fully well. The main obstacle which stands in the way of an individual wanting to start this industry is that he is required to get a prospecting licence first, and a certificate of approval has to be obtained next. In granting these two licences he is asked to produce a solvency certificate, which is a very difficult thing, and there are certain other rules also which also stand in the way of a man of average means and status getting easily into the industry. There are instances in the south which I am going to point out, where vast areas of land containing minerals have been neglected, and those who are doing things stealthily have not been found out, and it has not been brought to the notice of the Government by the residents there. Kangayam is a place in Coimbatore district where emerald and other diamonds are available at a depth of about twenty feet. Quite a large number of merchants from Jaipur go to Kangayam and make private agreements with the parties there offering to dig wells for them, at a cost of about Rs. 5,000 to Rs. 6,000 and in case any mineral or diamond is got, it should not be questioned by the owner of the land and they must be allowed to take the entire minerals, in this way year by year you can see

a lot of Jaipur people going there and tapping private lands and exploiting them for diamonds and emeralds. Though sometimes such case was brought to the notice of the Collector no step was taken, and the practice is still going on.

SHRI RAJENDRA PRATAP SINHA (Bihar): Are we discussing all minerals or only coal, I cannot follow?

MR. DEPUTY CHAIRMAN: He is referring to mines and mining rules.

SHRI ABDUL RAHIM: On an occasion like this I do not think I am going out of the way. On this occasion I want to point out certain mistakes in the Mines and Minerals (Regulation and Development) Act. There is an area in Madura district where some years ago when I was passing that way I saw that limestones were being dug out and were being used for road material. I reported the matter to the Collector and the revenue authorities. As a result, after sometime it was ordered not to dig limestones from that area. When these limestones were taken to the headquarters and were analysed they were found to contain 99 per cent lime. Such valuable raw materials have been exploited by people without the knowledge of Government. Hence rigid and strong rules should be framed that mineral wealth should not be kept as waste. Government will do well to now and then revise all the rules that were made before, rules which were framed by the British rulers here in India and intended only for a handful of people. Those rules must be totally revised to the best advantage of the people. You can find in the books dealing with geology, mention is made of certain areas in the South called Padiyur and Vallam from where rubies of Padiyur and pebbles of Vallam were exported to foreign countries in those days. Such areas are now lying waste without anybody using those areas and the Government would do well to help at least those who want to exploit these minerals.

I would like the Government to make the rules which were rigid in

those days into easier ones. The Director of the Geological Survey of India should be asked to make a complete survey of the vast area of wastelands and to maintain a list of such areas as contain minerals. This list should be published in all the regional languages so that the people who want to enter into this industry can be encouraged.

SHRI RAJENDRA PRATAP SINHA: Mr. Deputy Chairman, we passed the Mines and Minerals (Regulation and Development) Act only in December, 1957 and within four months now, before this law has been enforced and given a trial, we are now asked to amend the provisions of this Act and to amend it materially. I would like you to consider this question in the background of our coal policy and coal plans. You will remember, Sir, that the Planning Commission has a target of producing an additional quantity of about 20 million tons of coal during the Second Plan period and we have practically allocated the task of producing this additional quantity, ten million tons from the private sector and ten million tons from the public sector. During the course of the Second and the Third Five Year Plans, our targets are going to be very high, may be of the order of 100 or 120 million tons of coal—may be even 150 million tons—depending on how we expand our economy and what other alternative sources for producing power is developed. Now, Sir, whatever may be the alternative source, coal will continue to be the chief fuel in this country for some time to come. We have also to consider this in the background of our Industrial Policy Resolution which specifically says that in future coal will be developed in the public sector and the private sector has only to confine its activities within the existing mines. No new mines are to be opened by the private sector. Then, Sir there is another question that has to be examined and it is this that practically 80 per cent, of the existing production comes from the mines which were leased out before 1949. Not only that, Sir, we are also told that most of

20 RSD.—5.

the coal-bearing areas have all been leased out and that there is nothing left for the public sector to operate upon or even to deliver us the amount of coal expected. Therefore, we had a Bill empowering Government to acquire the land in possession of the private sector bearing coal. Government was considering all these questions for a long time and in pursuance of its policy in regard to minerals, it brought forward that Bill. We gave our whole-hearted support to the provisions of that Bill and I am sure Government must have brought that Bill after very considered thought and after giving due attention to all the matters involved in such a matter. I am sure they must also have given thought to the matters that have come up now in the provisions of the Bill before us but, Sir, there is another point that strikes me. What the Government wants to do here could be achieved even under the provisions of the Act of 1957. The hon. Minister said that he did not want just by the stroke of the pen—by one jerk of the pen, as he said—to bring all the existing mines under the provisions of this Bill. Now, Sir, let us examine and see whether what he wants to achieve by this Bill cannot be achieved by the existing provisions in the Act of 1957 itself. There are three main points that are covered by this Act of 1957. The first is the area which cannot be more than ten square miles in one State. Section 6 of the existing Act says:

"Provided that if the Central Government is of opinion that in the interests of mineral development it is necessary so to do, it may, for reasons to be recorded, permit any person to acquire one or more prospecting licences or mining leases covering an area in excess of the aforesaid maximum".

Under this they can permit, in the interest of coal development, even areas beyond ten square miles. Then, Sir, comes the case of the leases for perpetuity. Some of the leases have been granted for perpetuity, 999 years or 99 years. If you look to the provi-

[Shri Rajendra Pratap Sinha.] sions of section 8, you will find that, first the period is for thirty years and then it can be renewed for another thirty years and the Central Government has been given special powers to renew it for another period of thirty years. Therefore, they can continue their life for ninety years and in ninety years' time I hope the entire coal industry will come under the public sector. Therefore, so far as the period is concerned also, the difficulty does not arise.

Now comes the question of royalty. As my hon. friend read out just now, the royalty can be five per cent, or a minimum of 50 nP. Here also, Sir, there is provision enabling Government to exempt mines from the payment of this royalty. The same object that you are trying to achieve by this amendment can be achieved by the provisions of section 9(3) which says, "The Central Government may, by notification in the Official Gazette, amend the Second Schedule so as to enhance or reduce the rate at which royalty shall be payable in respect of any mineral with effect from such date as may be specified in the notification." So, if the Government considers that it will not enhance the royalty even to 50 nP. or 5 per cent, it can at least have recourse to this and, in the meanwhile, it can consider the whole thing¹.

SARDAR SWARAN SINGH: I have no intention of interrupting the hon. Member but I want to point out that if the royalties are reduced then the leases which were granted between the years 1949 and 1957 carrying higher royalties will also have to get this concession because we cannot have any sort of discrimination in respect of leases for different periods. That probably is not the intention of the hon. Member when he asks us to take action under section 9(3).

4 P.M.

SHRI RAJENDRA PRATAP SINHA:
 Exactl.r. The Whole idea was to en-

hance and bring to one level the royalty of the old mines and also the new leases that may be given. Now, as you know the entire future development of the industry has to take place in the public sector and, therefore, the question of giving new leases does not arise, according to the Industrial Policy Resolution of the Government of India. Now, with regard to the old leases they can take recourse and just go slowly, if necessary. I have just stated, these points, that the Government need not bring forward such a measure. But I am not prepared to concede that there is no room for increasing the royalty itself. That is another point. I am just arguing that even the purpose that the hon. Minister has in view in bringing forward this measure which is before us could be achieved by the provisions of the Act of 1957 itself. These were the three major purposes for which this Bill has been brought forward.

Now, there is another point. Section 16 is being amended. Section 16 deals with power to modify mining leases granted before 25th October, 1949. Now, we are going to give exemption. All mining leases granted before the 25th day of October, 1949, shall, as soon as may be after the commencement of this Act, be brought into conformity with the provisions of this Act and the rules made under sections 13 and 18. Now, this is being exempted. But I think if they have the powers under sections 7, 8 and 9, there is no necessity of amending section 16. Apart from that there is a proviso also to section 16 which says: "Provided that if the Central Government is of opinion that in the interests of mineral development it is expedient so to do, it may, for reasons to be recorded, permit any person to hold one or more such mining leases covering in any one State a total area in excess of that specified in clause (b) of section 6 or for a period exceeding that specified in sub-section (1) of section 8." So, what I am just submitting, is that they have by provisions made-

ample provision to achieve the purpose that this Bill has in view.

I would like to submit another point for your consideration and it is this that there is room for collecting a higher rate of royalty. Now, my hon. friends have already stated to you and the Minister has also accepted that at the present moment the royalty that they are paying is very, very small. And as my hon. friend has pointed out the collieries are making profits and they can afford to pay a higher royalty. Please remember that we have got to raise the resources. You were discussing it in the National Development Council that you are short by Rs. 300 crores even for putting through a Plan of Rs.- 4800 crores. And even then you have to raise by way of additional taxation about Rs. 1000 crores. Now, you are, on the one hand, having difficulties with regard to raising resources. On the other hand, you are yielding to the pressure of the private interests in the coal industry by waiving the provisions in section 9 in respect of royalties. Now, there is no necessity for that because we have seen, as the hon. Minister himself knows, that most of the collieries have been paying handsome dividends and they can afford to pay a little more by way of royalty. Apart from that I find that there is enough justification, even if it comes to that, for raising the price of coal, but there is no necessity of that. But as an additional argument I would like to place before you that India has got the lowest coal price in the world. Our price is Rs. 19-10 per ton; in Great Britain the price is Rs. 73; France Rs. 70; Japan Rs. 58; West Germany Rs. 46; and U.S.A. Rs. 24. So, we have the lowest so far as coal prices are concerned. Now, there is room here. We can, if necessary, just increase that price by a marginal amount. Therefore, I do not see why this relaxation should be given to the private sector.

Apart from that, there is another point that must be considered. You

know that we have fallen short of the production of coal by 5.4 million tons, although the private sector has gone ahead and they have produced 1.4 million tons more than what they are expected to do in the second year of the Plan. Therefore, in spite of this Bill—they knew that this Bill was going to come—the production in the private sector has gone up. They have produced 1.4 million tons more than required. There are some collieries, I grant, which are working at a loss. In that case, I would refer you to the amalgamation Committee's Report to which my hon. friend has also referred. Now, we cannot possibly allow the very old, out-of-date collieries to run and just lower the standard of production and raise the cost of production of the entire industry as a whole. Now, Sir, what I want to press is this. Have the private colliery owners been co-operating with you in the matter of amalgamation? Is it not a national loss if they do not amalgamate? Much amount of coal is lost in these frontiers of different owners, because they are small collieries. They cannot possibly have modern methods of extraction of coal from the bowels of the earth. If you read through the Committee's Report, it is revealing, the way in which our national wealth is being wasted. They are not co-operating with you. Now, they have come with a threat to you probably and you have yielded to that. They say that probably the coal production will go down. It is the responsibility of the public sector to raise the coal resources, the coal requirements of the country during the Second and Third Five Year Plans. Even in the Second Five Year Plan we have given a big chunk. I am glad, and I must congratulate the Ministry, for that, that the possibilities are that in spite of these shortfalls, you are in a position to fulfil the target that has been given to the public sector. There is the Russian loan which has come for the development of the collieries. And then what are you doing at Korba and other places, the new fields that you have discovered,

[Shri Rajendra Pratap Sinha.] the new seams that you have discovered in those areas? The possibilities are that you will be able to fulfil your targets. You have got those powers to acquire those mines also. Therefore, I cannot possibly reconcile myself with this Bill, whatever the arguments may be of my hon. friend.

(Time bell rings.)

Therefore, in winding up, in concluding, I would say that there was no necessity of this Bill altogether. If you wanted to go slow, if you do not want to do it with a stroke of the pen, you could have utilised the provisos in the different sections to which I have referred and you will achieve the same purpose that you have in mind. But I have absolutely no sympathy, and we cannot possibly agree to your waiving the royalty clause. We need this money for raising our coal production and there is no justification whatsoever in waiving the royalty clause, as you are proposing to do.

MR. DEPUTY CHAIRMAN: Mr. Malviya. I find that there are still three more speakers. So, ten minutes each.

SHRI RATANLAL KISHORILAL MALVIYA (Madhya Pradesh): Mr. Deputy Chairman, I am surprised at the haste with which this Bill has been brought before the House because only four or five months back we passed the Mines and Minerals (Regulation and Development) Bill, which has not come into force yet. And it is surprising that the Government should be required to come with this amendment.

[THE VICE-CHAIRMAN (SHRI M. VALIULLA) in the Chair.]

The main purpose, which I understand, of this amending Bill is to give concession in royalty to the existing

private owners who held leases before 1949. Right, Sir. But there is another aspect, and it is this. There are collieries and collieries, and I know many of them who started work before 1949 and who have been paying a royalty of more than Re. 1 per ton. So, why this disparity and this discrimination between capitalist and capitalist? These people have been holding leases with a royalty, as the hon. Minister has said, ranging from zero to 8 or 9 annas per ton and now under the present Act they have to pay 12 to 14 annas per ton. At the same time there are colliery owners who are already paying more than Re. 1 per ton. If an owner giving a royalty of more than 8 annas or Re. 1 can continue the work, can pay to the workers, can run the colliery without any loss and with a good margin of profit, what is there which prevents a few employers—or many, whatever the number may be—from paying the royalty provided in the Act? The management must be inefficient. They must be very bad employers. Therefore, Sir, I very humbly submit that this discrimination should not be made between owner and owner. If an employer has been paying a royalty of Re. 1 per ton, there is no reason why, with the controlled prices of coal, others cannot pay. We know, Sir, that when the Conciliation Board award was given in 1947—this mostly affected the employers of Bengal and Bihar—the House knows and the Government knows that the employers did not implement that award and they earned huge profits. The controlled price was calculated to give bonus to cent per cent of the workers, but bonus was paid only to 25 per cent of the workers for these ten years. The grain concession was not given to many of them, and other concessions were not fully implemented, and the industry—I do not say all but most of them—earned a lot under that award. When the question came up of submitting their accounts before the Tribunal between 1954 and 1956, very few employers, hardly a dozen, came to submit their accounts. I have got every reason to

suspect that they have been suppressing their accounts, and the Government has failed to know the correct position so far as their profits are concerned. I have found the machinery which has been utilised for cost accounting, etc., going into only one or two collieries and then making generalisations. It is not proper, Sir, I say. If the machinery is utilised properly and if the cost accounting is done colliery-wise or in 50 per cent of the collieries, I am sure that the Government will find that these capitalists are earning huge profits and that they cannot claim this concession. What is happening today? The Gov- I eminent has increased further the price of coal by Rs. 3 to Rs. 4 per ton. Now they have provided certain concessions in the award. Some of those concessions are not being paid. One of the concessions which has become due now due to increase in price index is an increase of Rs. 4-14 in wages per worker per month. They have refused to pay that. Every time the slightest question comes up of implementing any provision of the award, they come forward for an increase in prices. So, this is not going to end. I know the difficulty of the Government, but this question has got to be solved somehow, and it is time that the acts of these colliery owners are scrutinised thoroughly throughout the country and that the Government gets figures and information on the basis of which it should be able to frame its policy. The Government is hesitating because these people bring pressure upon the Government with regard to production. Every time they say that if the Government want to fulfil the target of production of coal, they must increase the prices. This sort of weakness on the part of the Government, I submit, is not good either for the country or for the Government or for the labour.

Sir, I therefore beg to submit that this amendment, is not necessary and should not be necessary.

One word more, Sir. So far as the private sector is concerned, the Government has given them enough concessions. The Government has appointed so many committees, and the committees' reports are before the Government. If the Government takes a decision on those reports and implements the decision sooner than later, I think the Government will not be placed in a tight corner by the owners as is being done by them now. I have got an experience. I know that we gave them a concession from the Coalmine Labour Welfare Fund for construction of houses. We first gave them 25 per cent. Nothing doing. They would not budge. We gave them 50 per cent. Nothing doing. Then we gave them 33 per cent free and the rest of the amount as loan. Nothing doing. They would not budge. Now we have been compelled to take over the housing scheme in the collieries at our own cost. Now those collieries whose life is only one or two or three years would not provide even *kutchha* huts to the labour costing a hundred rupees per hut. They are after their profits. I warn the Government that they should not give concessions to the colliery owners at the cost of the country. They must consider many times before giving concessions. This is the concession by which these colliery owners are going to be benefited by one rupee or twelve annas or eight annas per ton and it is further going to add to the coffers of the capitalists. At the same time, it is going to affect the coffers of the Government to that extent—the money which is very much required for the implementation of our plans. So, my submission would be that, if possible, even at this stage this Bill may be stayed and a Select Committee may be appointed or enquiries may be made with regard to the actual position of the profits of the colliery owners and then any concessions may be given. My only satisfaction is in the operative portion of the amending Bill in which the Government retains power to modify their decision, if and when necessary. But then, I know that once the Bill is

[Shri Ratanlal Kishorilal Malviya.] passed, it is very difficult for either the people to move or the Government to take an adverse decision. And, therefore, I request that this Bill be referred to a Select Committee or in the alternative, the Government may go into the question of profits and then move this Bill again in the next session, if necessary.

SHRI V. C. KESAVA RAO (Andhra Pradesh): Mr. Vice-Chairman, this is a simple measure and in supporting this, I have got to make a few observations. This is only a Bill to exempt leases for coal granted before the 25th October, 1949. As regards the control of the mines, the hon. Minister was also telling us that the States also got some control as well as the Centre. Sir, I have got the opportunity of visiting some mines, manganese, coal and mica. The owners of these mines have been expressing some difficulty as regards the control. The States have got some control and the Centre also has got it. If they want anything, the owners sometimes refer the matter to the State Governments. But after a long time, the State Governments refer back to them saying that the matter is for the Centre and not for the State Governments. So, it goes on like that. I was informed in some mines that these mine owners are having some difficulties as regards some administrative matters.

Another thing is as regards the survey of these minerals in the country. The Department is doing very little. In modern times, it is essential, when other countries are going forward, that we are not lagging behind them. A survey of the whole country is not yet done—only here or there, at Jwalamukhi or somewhere, it is done. Some university this side and some university somewhere else are doing some discoveries or finding out some minerals that are available in the country. But there is no regular survey as regards all the minerals that we have got and of things we can easily get from them.

Sir, recently I visited the mica mines at Gudur. Only on luck, mica depends. There is this Bill. Without any aim people go down. If a proper survey is there, I think people in the private sector need not spend much. They have simply to go into the earth for nothing. If they are lucky, they will be getting something; if not, they have to go in under thousands and thousands of feet unnecessarily and they get nothing. So, I want to point out that a regular survey of the country as regards mines and minerals and oil should be taken up immediately.

This Mining Labour Fund was also started and as regards that, I was also informed that only the labour working inside the mines will be getting some benefit from this Coal Mines Fund. Some people will be working on the surface also at the mines either in sorting out coal or other mineral's or cutting down some things and thus helping to take coal from here to there. Like that, some people will be working on the surface. They are not getting the benefits from this Fund. I request the hon. Minister to look into this matter and see that every labourer who is doing the work either inside the mine or on the surface is properly and equally treated and benefits are given to them also.

In this connection, I also want to point out that royalties are collected from these mine owners by the States and also by the Centre. I ask, which way the Centre is helping the industry? The private sector too is managing the mines and nobody wants any help if a big company or some rich persons take up this question of mining. But when some States take it up, Sir, I think some help should be given to them by the Centre. Very recently, the Andhra Pradesh Government has requested the Central Government to give some help, some assistance, to them to run their own Singareni Collieries. I was surprised to see that the Industries Minister recently stated that, if you give a share of it, we will be giving the loan

I do not know whether this principle is applied to all the industries. We are sinking crores and crores of rupees on projects everywhere. We are sinking crores in Neyveli, in the Damodar Valley Project and in Bhakra-Nangal. Who is giving a guarantee for all these crores of rupees? They come to the Central Government to ask for a loan; the Central Government can at least take an interest in it. They are

not going to take (Interruptions.)

It is for the States. When the whole State is managing the thing, I do not know what guarantee the Central Government wants or what guarantee will be given by the State when the whole State is there.

SHRIMATI YASHODA REDDY (Andhra Pradesh): The State itself is a guarantee.

SHRI V. C. KESAVA RAO: I request the hon. Minister for Mines just to look into this matter and see that a loan is given to them by the Government for assistance. I think my hon. friend, Mr. Prasad Rao, was laughing because he has got a half-an-hour's discussion on the same subject. So, I was tempted just to raise this point about the running of the Singareni Collieries which is a paying concern. If some money was asked by the State Government as a loan, I do not think that that will be a waste. It is only on the Public sector. We are not giving anything to the private industry where we suspect that money may go away. But here that is a paying concern and I think Centre should give a loan to the Andhra Pradesh Government to run their own Singareni Collieries. The coal mine is working very well now and in such a case, I request the Minister to consider this request of the State. With these few words, I support this Bill.

SHRI JASWANT SINGH (Rajasthan) : Mr. Vice-Chairman. I was listening with interest to the speech of the hon. Minister and I was feeling that the Minister was straining himself to find out a justification for

bringing this Bill before this House. I was feeling that he himself was not sure whether this Bill is necessary to be brought before the House in the present form.

Sir, if we look to the history of this case, we will find that probably, it will have no parallel in the history of legislation in any country, in that, as far as the amendments are concerned, nobody is opposed to them. They are very necessary and sometimes they are more important than the parent Act itself. But in regard to this particular amendment, as stated by the hon. Minister, only four months ago, in December 1957, a well-considered Bill was brought before the House. That Bill has not yet been brought into force and its provisions have not yet been applied, and now an amendment has been brought before the House to change certain provisions contained in that enactment, which was passed after mature consideration. But that is not all.

Sir, the last enactment on the subject where the Central Government came into the picture, as stated by the hon. Minister, was in 1948. Since then, for eight or nine years the Government have given considerable thought to the question as to what should be done in regard to this coal industry. And in 1957, a new Act was passed where it was stated that a uniform system of royalty be introduced and all mining leases granted before the 25th of October 1949 shall be brought into conformity with the provisions of this Act and the rules made under sections 13 and 18. And certain exceptions have also been provided in the 1957 Act. Sir, last year, when the Mines and Minerals (Regulation and Development) Bill was moved, the hon. Minister, Shri K. D. Malviya, stated as follows:

"These rates were fixed as a result of certain agreements between the State Governments and the parties concerned, and the rates were wholly inconsistent with the growing, expanding value of the minerals, and it was felt that a certain change was very desirable."

[Shri Jaswant Singh.]

Sir, this change was desirable only a short while ago, i.e. in December 1957, and it is not understood what has exactly happened during the course of the last four months that this change has become undesirable.

Sir, the Statement of Objects and Reasons states that "A sudden and uniform increase of these royalties is likely to have an unsettling effect on the industry and may retard the programme of coal production under the Second Five Year Plan. The same adverse effect would be felt by a sudden modification of the other terms and conditions." Therefore, Sir, we would like to know what has happened to this industry within these four months. As I was stating a short while ago, only in December 1957, another hon. Minister, Shri K. D. Malviya, felt very great necessity for making certain changes and after four months an amendment is being brought forward, when the original Act itself has not yet been brought into force and it is said that certain things have happened which require to be changed. Therefore, Sir, we would like to know what has happened to this industry within these four months, whether there is any imminent danger to the production of coal or there will be a failure of coal production under the Plan.

Sir, under the Second Five-Year Plan a target of 60 million tons of coal has been fixed. In this there is a contemplated increase of 22 million tons, 10 millions allotted to the private sector and 12 millions to the public sector. Just now it has been stated by my friend, Mr. Sinha, and by other speakers also, that the private sector is not at all working under a handicap in fulfilling its target, and it has rather over-fulfilled its target, whereas the target of the public sector is lagging behind. Therefore I am not able to understand in what way this industry would be destroyed or would be put under any handicap or in what way our programme is going to be upset. Sir, after mature consideration, as I was submitting, the Act of 1957

was passed so that there may be a uniform rate of royalty and other discrepancies between different leaseholders may be removed. Some of the leases, as has been stated by the hon. Minister, are for unlimited periods—999 years—and the royalty that is being paid by most of them also varies from almost nil to twelve annas. I agree that there are industries and industries which, by and large, are prospering. But there are a few coal-fields which are small ones and they are out of date. Well, something may be done for them. But generally speaking, the private sector is doing better in the matter of the coal industry.

Sir, necessity was felt to bring all these anomalies to some normal conditions. The new people who will be taking mining leases will be placed in a more disadvantageous position as compared to the colliery-owners who got their mining leases before 1949. Moreover, Sir, if we look into the provisions contained in the Act of 1957, we will find that in substance almost all the powers which are now proposed to be taken by the Government -under this amending Bill have already been vested with the Government under one provision or another of the existing Act. Section 9 gives power to the Central Government to vary the rates of royalty. The proviso to section 16 gives authority to the Government to vary the size of the leases, particularly of the mines whose leases were given before 1949.

THE VICE-CHAIRMAN (SHRI M. VALIULLA) : Mr. Sinha has already said that.

SHRI JASWANT SINGH: Mr. Sinha gave details, but I am only briefly dealing with these things, Sir, in order to show how all of us feel that the Bill which has been brought before the House is quite unnecessary, because these powers are already there.

Then, Sir, section 13 gives overriding powers to the Government. Therefore, Sir, it is not exactly understood how it was felt necessary to

bring this Bill before the House. It is understood, Sir, that the Government's policy continues to be the same, as was evident from the speech of the hon. Minister. But they want to apply that policy in individual cases. But I can tell you that in doing so we will not only be re-introducing discrimination and disparity between two classes of the leaseholders, but we will also be re-introducing discrimination even between one leaseholder and another in the same class. Therefore, Sir, it is not exactly understood how the Government has felt it necessary to bring forward this Bill here, unless it wants to perpetuate these discrepancies and disparities and disturb the uniformity which was brought about in 1947.

Then, Sir, if we turn to the condition of the coal industry, we will find that the report of the Coal Board and the figures given by the joint stock companies show that the coal interests had already made large profits. During the last 38 to 50 years, if we look to the average price of coal, we will find that in 1922 it was Rs. 5/6 per ton, in 1943 it came to Rs. 11/7 and in 1956, it was Rs. 32/- per ton. And this price varies from State to State. (*Time bell rings*). Just one minute, Sir, and I will wind up my speech. Sir, since 1920 the rate of royalty has almost been the same. It has not been raised at all. But the price of coal has been varying in different States, because the Government of India have been considering the difficulties of the industry also. So, coal interests cannot complain that they have been neglected. Again, Sir, the profit of the coal industry, taking 1939 as the base year for this purpose, in the year 1941 was 82.6. And in 1955-56 it was 342. Therefore, taking all these facts into consideration, both from the point of view of the removal of disparities and since the Government has all the powers necessary which they now seek to have under this amending Bill, and also looking to the conditions of the coal industry and the profits that they have been making so far, and if uniformity is to be introduced as was

envisaged in 1957 and since we are in search of funds for the Second Five Year Plan and we are raising taxes all round, since the coal industry appears to be in a very good condition to bear this extra royalty, if necessary in these circumstances I do not at all understand why the Government should have brought forward this amending Bill. Therefore, I oppose this measure.

SHRI BHUPESH GUPTA: Mr. Vice-Chairman, I do not know what made the hon. Minister believe that this particular Bill would be so easily passed. He gave us an account of the circumstances which necessitated the introduction of this amending Bill. But he has not said many of the things that he should have said in proposing this amendment. It is quite clear to <is that however much the Government may wag their tongue and talk about socialisation, their hands are building a monopolist capital in this country <md this particular amending Bill is an illustration of that performance whatever their protestations may be.

Only about four months ago we passed the original Act which is sought to be amended today. At that time I expressed my doubt and said that these are not the people, having regard to their policies, who are going to acquire 'coal-bearing areas in order to develop the public sector. I made it very clear that we would be in support of all measures directed to expanding the public sector and eliminating the vice-grip of the private sector on so vital an industry as the coal industry. Four months have gone by and the hon. Minister has come before the House to seek an amendment of that measure, in an utterly and unmistakably reactionary direction. And here again, we are told by the Government that they have done nothing and they want to take credit for the fact that they had not brought this original Act into operation. That is a condemnation of the Government. Four months ago, Parliament gave them powers in order to expand the public sector, in

[Shri Bhupesh Gupta.] keeping with the declarations of the Second Five Year Plan, in order to ensure that the public sector in this vital industry develops quicker than it has done in the past. And four months hence, here is the Government telling us that they have done nothing. I do not know how to treat such policies of the Government. I do not know how to treat the Ministers who take a stand on such inactivity and incompetence. I am not concerned with personalities here. I condemn the whole Ministry, which has so miserably and utterly failed to even give a trial to a measure that with all good intentions Parliament passed. And having failed, in order to add to the enormity of their crime, they propose this amendment which exempts a whole bunch of these monopolists, 80 per cent of the mine owners from the levy or the royalty that we can get from them. They are to be put outside the pale of the law. Did we pass this measure in order that you may come here after four months and say that you want to exempt these exploiters? Or did we pass this measure in order to empower you so that you could take over some of the coal-bearing sections, in order to develop the public sector? Tell us why did you take that power in the original Act?

SHRI RAJENDRA PRATAP SINHA:
 The Act relating to the coal-bearing areas is not being amended now. This is another Act.

SHRI BHUPESH GUPTA: But the exemptions are being given here. I know that and nothing is being amended. We gave them power to expand the public sector in the interest of the country. But today they are attending to the needs of the private sector and everyone knows that this measure is something which has been formulated and sponsored at the dictation of those people who are controlling our coal-mines today. I call them swindlers and cheats, most of them.

I They deny the workers their living wage. They raise coal prices at every opportunity. The Sastri Award came in and they raised the coal prices. Then came the Labour Tribunal and again they raised the price of coal by methods of wanton blackmail and pressure. And here is the Government which submits to that pressure, that yields to pressure and bows to these coal-kings that dominate our coal industry. Does it speak well of the Government? Well, I do not know what kind of a socialism they are building. I do see before my eye that they are showering concessions after concessions on those very people who stand in the way of even elementary progress of the country or of building the public sector which need not always mean socialism. Sir, this is the position.

And we are told by the hon. Minister that if these royalties are enhanced, they will have serious repercussions, that production of coal will go down. We have been told of the drag on the stock market in order to justify the Mundra scheme and now we are indirectly told about the drag on production in order to surrender to the claims of these profiteers and coal lords of our country. What is all this? Have you tried this measure? Did you increase the royalties in order to find out whether such an increase leads to decrease in production? Nothing of the kind. You have taken it for granted just because from behind your backs some people holding the purse-strings of our economy and tied with certain sections of the Government have dictated to you that such concessions have to be given. How long are we to suffer from such blackmail? How long must this Government surrender to this sort of blackmail, I would ask the Government to explain. Mr. Vice-Chairman, it is a scandal that the Government should have sponsored this amendment. It is a lie that until and unless these concessions are given, production will not come up. We can tell them, these coal-owners, that they have to fulfil

their liabilities towards our economy and must increase production. If they do not do so, we will not allow them to hold our economy to ransom. On the contrary, we shall take over these things. The problem today is not one of giving concessions to these people. The problem today is one of curbing their powers and ultimately taking over the coal industry. That is what is needed in the present circumstances. But they are moving in the opposite direction and quite clearly they want to put our economy on the reverse gear, while talking tall things in order to win plaudits from the people. Such devices we should stop. Your practice should prove what you mean. Therefore, we are opposed to this amendment

(Time bell rings.)

As far as the industry is concerned, well, the less said about it the better. I have never known an industry which is so much in the grip of a handful of monopolists. Andrew Yule, Macneill and Barry and a few other concerns control a vast sector of the industry which accounts for almost half the total production of West Bengal and Bihar. And these people and their satellites will get the benefit of the concessions that we are proposing. Why can't you make them pay? Now, as you know, Sir, there is a move. The Mining Federation had their meetings and speeches have been made by these gentlemen of the coal world. What did they say? They did not say that their profits were going up. They said that the working class production is not good; their production is very small and all that in order to justify the wage cuts. And what is more, the implementation committee appointed by the tribunal after various agreements with the Government has been sabotaged by the machinations of these coal mine owners. Now, the Boothalingam Committee is there and they are trying perhaps to do something. But I was

a little surprised when an hon. Member from this side even suggested indirectly a small increase in coal price. I do not share that view at all. You think of the housewife and other people who are suffering today on account of high coal prices. I can understand if you charge high prices from big industrialists and others but it will be a terrible thing today, it will be the last straw, if you were to charge high prices from the consumer. Sir, therefore I think that the whole measure, the whole thing is a downright surrender to the monopolist elements of the coal world. I do not know whether the hon. Minister attended the particular meeting of the Coal Mine Owners Federation but when I read the Bill I feel as if the coal kings and coal bosses are speaking before us and sponsoring the measure. I do not like hon. Ministers of this Government talking about socialism in one breath and then coming here in order to sponsor the case which is being sponsored in the Federation Offices in the speeches of those sharks and tycoons in the coal industry. Sir, I am apprehensive today of these people who are going to build the public sector. They are allowing the whole thing to be sabotaged. Already the public sector is lagging far behind in the field of production when compared to the private sector. I am talking about the additional quota and they take pride in the fact that the public sector is not doing well and the private sector is doing better. Here again is a measure which is intended to scuttle whatever is there. The vested interests are sought to be served when the nation needs its own interests to be served. I hope what Mr. Malviya has said will be seriously taken for he belongs to the Congress Party. I have no doubt in my mind that if there was a free voting in this matter, if there was no whip, if there was no party terrorism, many hon. Members opposite would vote against this amendment and would vote with us. We therefore oppose this amendment and I hope that what has been said from

[Shri Bhupesh Gupta.] this side of the House will be taken seriously by everyone concerned in this matter. As far as the Government is concerned, it stands condemned by its act of making this provision which is embodied in this Bill and I am absolutely certain that if the Government is not restrained from this headlong plunge into concession after concession in favour of those monopolist elements, there will be very little left for us to do for the remaking of our country.

SARDAR SWARAN SINGH: Sir, some salient points have been raised which require a reply. Two hon. Members, Mr. Sinha and Mr. Jaswant Singh, raised the question as to whether this amending Bill is at all necessary. Their argument was that the Government already have got power under sections 9 and 16 of the Act and the amending Bill is therefore unnecessary. We have carefully examined that aspect and I want to assure the House and the two hon. Members that we would not take the valuable time of this House if the powers that are now sought to be assumed under the amending Bill were already with us. If we had these powers under sections 9 and 16, we would be the last persons to come forward with this amending Bill. It is true that certain powers are there under section 16 but they are of an exceptional character and it would not be in the spirit of interpreting any legislative measure to have resort to exceptional powers and to invoke them to deal with a situation of the type that I mentioned when I moved for consideration. The exceptional powers which are there in the proviso have to be exercised in exceptional circumstances, not in normal circumstances. Therefore it would not be fair on the part of the Government if they had taken up individual cases and if they had exercised the powers which are there in the proviso to section 16. Similarly, under section 9, it is true that, the Government have got the power to revise the rates of royalty as given in the schedule but they have

not got the right to say -that there will be increase in royalty with regard to pre-1949 leases only. If they fix any rate of royalty in the schedule, that would flatly apply to all leases, whether they are post-1949 or pre-1949 leases. The result would have been met by revising the rates of royalty, say, downwards, the post-1949 leases would get a reduction whereas the pre-1949 leases would be subject to a high rate of royalty and I do not suppose that that could have been the intention of the hon. Members that they wanted to decrease the rate of royalty even though that decrease would be applicable to post-1949 leases.

SHRI RAJENDRA PRATAP SINHA: May I just interrupt? Does not the policy statement clearly stipulate that there would be no further leases for fresh mining for coal in the private sector?

SHRI BHUPESH GUPTA: They have violated it long time ago.

SARDAR SWARAN SINGH: So far as from now onwards is concerned, it is only in such areas where the production may be of a small order, or where a coal field is situated in an out-of-the-way place where the public sector is not likely to function and the total production in that mine is going to be of a small order that leases in the private sector can be given. Generally speaking no new leases in the private sector and no opening permissions with regard to new mines would be given in the private sector.

SHRI RAJENDRA PRATAP SINHA: Then on the whole you would have gained even by a small upward revision of the royalties, even if it is 5 per cent, because 80 per cent of the production is still done by mines leased out before 1949.

SARDAR SWARAN SINGH: The hon. Member forgets that royalties go to the State revenues and not to the Central exchequer in which I can balance one against the other. The

downward revision of post-1949 leases would mostly affect Orissa and Madhya Pradesh which will get smaller revenue and merely because Bihar and West Bengal may get higher revenues, I cannot console the Madhya Pradesh and Orissa Governments by saying that although they are getting less. Bengal and Bihar would be getting more. It will be quite clear that under the existing provisions of section 9, for the sort of ill that is sought to be remedied, the power is not there "with the Government: otherwise we would not have hesitated to exercise that power.

There is one other point which has been urged by speaker after speaker and my hon. friend in his usual eloquence was. I think, overflowing this afternoon and he described as if we were surrendering in a very abject manner to what he chose to describe as swindlers and cheats. He has got certain monopoly with regard to the use of these strong adjectives which are not shared by many of us. That monopoly I do not grudge him but the point really is that it is absolutely wrong to describe . . .

SHRI BHUPESH GUPTA: Anyway you have given me a concession by not grudging monopoly.

SARDAR SWARAN SINGH: I am glad that he has softened his adjectives to a certain extent. The point that I was trying to develop was trial hon. Members, some of them at any rate, laboured considerably on this point that great concessions are being shown. That, I am afraid, is not the correct state of affairs. The real fact is that before the Act of 1957, certain rates of royalty prevailed and they varied from colliery to colliery. Now, by the Act of 1957 it was provided that there would be an upward revision of rates of royalty but that upward revision would not have resulted in uniformity because if you push one to fourteen, the increase is 13; if you push 9 to 14, the increase is five. Therefore although

the upward limit would have been reached, the increase would not have been uniform and there would be cases which could not be easily met.

Whereas under the amending 5 P.M. Bill power is now taken that

the upward revision will take less in the case of different mining leases regard having* been had to all the circumstances. For instance my hon. friend opposite, Mr. Jaswant Singh, who was struggling between reason and extreme views on the other said that there may be cases where exceptions may have to be made. Now I put it to him as to where is that scope for making exceptions. If sections 9 and 16 of the Act of 1957 are allowed to remain, there is no option. It is precisely to meet a situation of the type which he himself visualized that the powers are now being taken by Government by the addition of section 30A which is incorporated in this amending Bill for your consideration. It is precisely to meet those cases where an upward revision is likely to be compensated by an increase in prices that a power of this nature is necessary. The intention of the Government is not to enforce at once any upward revision of the rates of royalty; the intention is to increase the rates of royalty in a phased manner regard being had to the circumstances and the progress of the various mining leases so that we could successfully resist their case for an upward revision of prices. Whatever the argument may be, I am afraid I cannot agree with my friend, Mr. Sinha, who made some very good points, when he said that there was no harm even in an upward revision of the price of coal if it came to that. I think, in our present economy, if we allow an upward revision of prices of other commodities, which is bound to follow an upward revision of the price structure of coal, it will create a situation which we cannot contemplate with equanimity. I think it will not be desirable that coal prices should be revised upwards whatever may be the other considerations. At any rate we cannot deliberately take such measures as might inevitably

[Sardar Swaran Singh.] create a situation where the price of coal is revised upwards, a situation that will not be in the interest of the overall economy, because that will generate many factors which, in the present state of affairs, will not be proper and fair. Therefore I say that this power is now being taken so that the cases may be examined and the rates of royalty may be increased in such a way that the industry may not ask for an increase in price, and therefore the cases of the type which are worrying some of the hon. Members, where they say that they have made fairly good profits, will precisely be the type of leases in which we can successfully push up the royalty to higher levels without at the same time conceding the case for an upward revision of prices. Therefore to describe this as an abject surrender to the coal monopolists is, I think, a criticism which is extremely unjustified.

Then again, Sir, one broad point has been mentioned by speakers, more than one, that the Government has come forward with this amendment within a short period of four months after the passage of the parent Act. It is true, Sir, that there has been a slip at the time of its consideration by the Select Committee. I have only this defence to offer, Sir, that when the Bill actually was put before Parliament—which ultimately was passed as an Act of 1957—the provisions which have now become the subject-matter of the present amendment were put forward in the Bill in a different form. At the Select Committee stage certain drastic changes were made and our failure has been that we were unable to appreciate the full impact of those changes, and that has necessitated our coming forward with these amendments. Now this has to be seen on merits, as to whether the amendment is proper or not. You cannot say that merely because I come within four months, within a very short time of the passing of the Act, there should be an initial preju-

dice against considering the amendment on merits. To say so will be a proposition which it is not easy to defend. You can accuse . . .

SHRI BHUPESH GUPTA: May I know with whose help you realised that you had committed an original sin?

SARDAR SWARAN SINGH: The trouble with my hon. friend is that he must go to some help from outside. The process of thinking, which is God's gift to us and about which we can take some credit, is not to be relied on with sufficient confidence by my friend opposite. Therefore for any change in thinking he should depend on some help from some outside agency.

SHRI BHUPESH GUPTA: The Mining Federation has come before you.

SARDAR SWARAN SINGH: I can assure him that just as he depends for help from outside even in the process of thinking, there are others in the country who can depend on their own thinking and can analyse a problem and can put forward a solution. If they found on examination that an earlier decision was not quite correct they have no hesitation . . .

SHRI JASPAT ROY KAPOOR (Uttar Pradesh): But then they do not want you to mend things so quickly.

SARDAR SWARAN SINGH: That also probably is worrying them, but I am sure that if on merits they are satisfied that the new amendment is correct, then the mere fact that it is being made within a very short time of the passing of the Act, . . .

SHRI RAJENDRA PRATAP SINHA: What we want to know is: Was there any resolution passed or any memorandum submitted to the hon. Minister by the private sector of coal, by the industrial federation, to that effect, and that as a result of

their pressure or pleading, if you want to use the latter, this amendment has been brought forward?

SARDAR SWARAN SINGH: He is more considerate, and he is considerate enough to use "pressure and pleading" as if the two are interchangeable, can be used in the same context.

SHRI BHUPESH GUPTA: May I know, Sir, as to who thought it first? Whose thoughts were known to the public first, yours, or the Mining Federation's? What is the fact? It is a very sober way of putting it. Will you tell us?

SARDAR SWARAN SINGH: You are repeating what the hon. friend has said. You should have the Datience also to listen. The difficulty is you require another apparatus to listen; there is a time lag. I do not know. Sir, what the hon. friend really meant when they put forward that suggestion. Government has an open mind in these matters. Just as my friends opposite can put forward their viewpoints, others in the industry can also put forward their view-pointy and merely because the point has been put forward by the industry, is no reason that we should not consider it. We have no hesitation in saying that having permitted the private sector to function in the domain of coal . . .

SHRI BHUPESH GUPTA: I am very grateful; the cat has come out of the bag.

SARDAR SWARAN SINGH: . . . and to expand production of coal to the tune of ten million tons we do not want to create an atmosphere of uncertainty and we do not want to create a feeling in them that we are taking deliberate steps to hamper them in reaching their expanded production target. Therefore, I have no hesitation in saying that there are occasional consultations with the industry as also with the reDresenta-

tives of labour and their viewpoints are considered and, if a viewpoint is good on merits, merely because it has come from the Federation it is not rejected and, so also, merely because it comes from labour interests, it is not accepted, but the point is we see whether—whoever it is from whom it Comes, the industry or the workers or the consumers—it merits consideration. Each point is considered and weighed on its merits and a decision is taken after examining all the points which have been raised. There is no prejudice or preference merely depending upon the origin or the source of any viewpoint that is put forwardL Each suggestion is examined on merits.

(Interruption.) I

You come to some arrangements so that at any rate I can hear what you are saying.

SHRI RAJENDRA PRATAP SINHA: May I ask for one information from the hon. Minister? Has it been made out by the Federation that if the original Act, the parent Act of 1957, was implemented their coal programme, their plan of producing ten million tons of coal will suffer and have the Government accepted the points made out by the Federation?

SARDAR SWARAN SINGH: Don't make another speech.

I do not think, Sir, this is the correct position to take because merely increasing the royalty cannot Effect the production programme. With increase in royalty, a case can be made out for increase in the price which again can be examined, as I said earlier. But, Sir, merely increasing the rate of royalty, the price need not be increased and to say that it will affect the coal production programme as such will be too broad an objection to raise—which we have never accepted.

(Interruption.)

THE VICE-CHAIRMAN (SHRI M. VALIULLA): No more questions.

SARDAR SWARAN SINGH: My friend opposite again raised some points and said that we were scuttling the public sector. I do not see any connection whatsoever between the public sector and the private sector so far as the rates of royalty are concerned. The two are absolutely disconnected and the hon. Mr. Sinha actually pointed out to him—I did not dare to object because I knew he would take another five minutes if I were to object—this fact. There is no connection whatsoever between the public sector and the private sector so far as the present Bill is concerned. The Coal bearing Areas Act has a separate provision altogether and by altering or modulating the rates of royalty, I fail to understand how the public sector suffers and .

SHRI BHUPESH GUPTA: You can compel the private sector to sell to the public sector.

SARDAR SWARAN SINGH: So far as the rates of royalty and the present mining policy are concerned, there is no connection whatsoever between the public sector and the private sector expansion and each will go forward according to the plan.

SHRI RAJENDRA PRATAP SINHA: Have you consulted the State Governments, particularly the States of Bengal and Bihar before bringing forward this measure?

SARDAR SWARAN SINGH: That is hardly a point of intervention. You could have raised it when you were making the speech. You should not abuse the indulgence I am showing of giving in.

SHRI RAJENDRA PRATAP SINHA: It is only a point of information.

SARDAR SWARAN SINGH: The points that were raised were firstly, the necessity, secondly showing concessions and thirdly about the public sector and the private sector and I have attempted to show that these points have absolutely no bearing.

SHRI BHUPESH GUPTA: Yes, they have.

SARDAR SWARAN SINGH: My hon. friend, Shri Malviya, mentioned about the awards that were given on two earlier occasions and a reference to that effect was also made by Shri Prasad Rao, I think. It is easily forgotten that this was the outcome of a tripartite conference. In spite of the observations in the Report of the Tribunal, at the tripartite meeting at which the representatives of labour, from all the Unions, the representatives of industry in the various Federations and the Government were present, it was agreed that a certain price increase was necessary to enable the industry to pay higher wages according to the scale laid down by the Tribunal award and, as a result of that, the prices had to be revised upwards. That was a decision which, was arrived at by mutual consultation and as a result of broad agreement amongst the various organisations that attended the tripartite discussion. It may be, as has been criticised by some hon. Members, the decisions are not carried out. My hon. friend, Shri Malviya, said that some of the collieries have not implemented the wage increase award given by the Tribunal; That is a matter which is constantly engaging the attention of the Labour Ministry and I understand they have taken some concrete steps to ensure that implementation takes place and that the increase in wages which has been ordered is actually enjoyed by the workers.

With these observations, Sir, I submit that the enabling provision which is now sought to be added to the parent Act is not a change in policy or a reversal in policy but that it is a recognition of the hard facts. In that context, certain powers are being assumed so that each case might be examined on merits and an upward revision of the rate of royalty or modification in the terms of lease may be brought about in a phased manner rather than doing it in one stroke as is done by section (3).

THE VICE-CHAIRMAN (SHRI M. VALIULLA): The question is:

"That the Bill to amend the Mines and Minerals (Regulation and Development) Act, 1957, for the purpose of exempting mining leases granted before the 25th day of October, 1949, in respect of coal from certain provisions of that Act in view of the importance of such leases in the context of coal production generally, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

THE VICE-CHAIRMAN (SHRI M. VALIULLA): We shall now take up clause by clause consideration of the Bill.

Clause 2 was added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

SARDAR SWARAN SINGH: Sir, I beg to move:

That the Bill be passed."

THE VICE-CHAIRMAN (SHRI M. VALIULLA): The question is:

"That the Bill be passed." (*After a count*)

Ayes—27; Noes—16.

The motion was adopted.

THE VICE-CHAIRMAN (SHRI M. VALIULLA): The Bill is passed.

SHRI RAJENDRA PRATAP SINHA: Sir, we would like the names to be recorded. We want a division.

THE VICE-CHAIRMAN (SHRI M. VALIULLA): I am not adopting that procedure. The motion is adopted by 27 votes against 16. That is the ruling I have given. The Bill is passed.

The House stands adjourned till
II A.M. tomorrow.

The House then adjourned at nineteen minutes past five of the clock till eleven of the clock on Wednesday, the 7th May 1958.