

2151 *Resignation for the Member of the Membership of the Lok Sabha* APRIL 19, 1993 *Coal Mines (Nationalisation) Amend. Bill As passed by Rajya Sabha* 2152
[Sh. Ram Kapse]

Shri Moreshwar Save, tomorrow it will be about the others also. (*Interruptions*)

MR. DEPUTY SPEAKER: There is also another announcement.

[*Translation*]

SHRI BHOGENDRA JHA (Madhubani): Mr. Deputy Speaker, Sir, I am coming to the issue that was raised earlier. I was told by the Table Office that in the approved list for Matters Under Rule 377, my name stands at seventh position. But my name was not called here. There is something wrong somewhere. I only want to say that it should be checked. I can be given an opportunity even now.

[*English*]

MR. DEPUTY-SPEAKER: I will check it up.

15.00 Hrs

RESIGNATION FROM THE MEMBERSHIP OF LOK SABHA

[*English*]

MR. DEPUTY SPEAKER: I have to inform the House that the hon. Speaker received a letter yesterday from Shri. K. Vijayan Bhaskara Reddy, an elected Member from Kumool constituency of Andhra Pradesh resigning his seat in Lok Sabha. The hon. Speaker has accepted the resignation of Shri K. Vijaya Bhaskara Reddy with effect from the 18th April, 1993.

SHRI RAM NAIK (Bombay North): What happened to Shri Sharad Pawar, our Chief Minister? Is he not resigning his membership from the House? (*Interruptions*)

SHRI RAM NAIK: If Shri Vijaya Bhaskara

Reddy resigns, why not Shri Sharad Pawar? Shri Mukul Wasnik Ji, you are the Minister of Parliamentary Affairs. You should tell. (*Interruptions*)

MR. DEPUTY SPEAKER: Let us take up the next item.

15.00 Hrs

COAL MINES (NATIONALISATION) AMENDMENT BILL As passed by Rajya Sabha.

[*English*]

MR. DEPUTY-SPEAKER: The House shall now take up Item Number 12.

Shri Ajit Panja to move the Bill.

THE MINISTER OF STATE OF THE
MINISTRY OF COAL (SHRI AJIT PANJA): Sir,
I beg to move*

"That the Bill further to amend the Coal Mines (Nationalisation) Act, 1973, as passed by Rajya Sabha, be taken into consideration."

As hon. Members are aware, the Eighth plan, as recently approved envisages an addition of 30,538 megawatt during the Plan period. Out of this, 17,680 megawatt is in the State sector which includes a capacity of 2,810 megawatt in the private sector for which no public sector outlay is provided. It is, however, expected that about 3,000 megawatt of additional capacity will materialise over and above what has already been envisaged as indicated above in the private sector during the Plan period. The Eighth Plan, therefore, places considerable emphasis on attracting private investments for power development.

As a logical corollary, Government have taken a decision to permit private sector participation in coal mining for captive

*Moved with the recommendation of the President

consumption. Similar necessity has been felt to permit setting up of coal washeries to augment supply of clean coking coal to steel plants and other industrial users. As the hon. Members are aware, Government attach considerable importance to supply of quality coal. We have recently strengthened quality control measures and set up Consumer Councils to ensure quality. The beneficiation of non-coking coal will ensure greater efficiency of the power stations and less burden on the Railways.

It is now proposed in the Bill to amend the Sub-section 3 of Section 3 of the Coal Mines (Nationalisation) Act, 1973 as amended in 1976 in order to allow a company engaged in generation of power, washing of coal obtained from a mine or other end uses as may be notified by the Central Government, to take up coal mining operations. This will be in addition to a company engaged in the production of iron and steel which has already been provided under the statute. With this amendment, the power coal linkages for their captive consumption. The setting up of coal washeries in the private sector will also be facilitated.

All the controls regarding approval of mining leases, environment clearances, safety and welfare measures etc., as provided under the rules will continue to be enforced. Private sector parties would have to take necessary steps for obtaining mining lease, environmental clearance, acquisition of land for the infrastructural facilities and permission for directorate General of Mines safety for opening the mine. The Coal Controller will be further empowered under the Coal Mines (Conservation and Development) Act to exercise adequate supervision over the coal mines to ensure safe and scientific exploitation of the mineral resources.

The proposed amendment would thus enable the private sector to augment our industrial production.

With these words, I commend the Bill for the consideration of the House.

MR. DEPUTY SPEAKER: Motion moved:

"That the Bill further to amend the Coal Mines (Nationalisation) Act, 1973, as passed by Rajya Sabha, be taken into consideration."

MR. DEPUTY SPEAKER: The total time allotted for this subject is two hours. The Congress has been allotted 52 minutes, BJP 25 minutes, Janata Dal 12 minutes, CPM seven minutes, CPI three minutes, AIDMK two minutes, Telgu Desam one minutes, AMM one minute.

We have received two names from BJP, three names from Congress, one from Janata Dal and one from CPM. Now we shall have to confine ourselves with the time allotted. Every time somehow or the other, we are very much completed to extend the time. It stands in the way of the progress of the business of the House. Therefore, my kind request is to confine to the time allotted to each political party.

Now Shrimati Rita Verma to initiate the discussion.

PROF. RITA VERMA (Dhanbad): Mr. Deputy Speaker, Sir, now we know that the private power generating units and the steel plants would be allowed to develop captive coal mines for meeting their own requirements of coal and also that the private coal washeries could be set up to supply clean coking coal to the steel plants and other industrial areas. Coal is really the crucial source of mineral wealth in our country. It was nationalised in order that the ownership and control of such resource should vest with the State and thereby so distribute it as best to subserve the common good. It amazes me to no end as to how the Government is all the time talking of the Nehruvian model but in practice they are going exactly in the reverse direction. It reminds me of a saying: "When you are at the crossroads, blink to the left and move to the right".

The hon. Minister of Coal is of course, very efficient and very clever and he can keep both

[Prof. Rita Verma]

the left and the right very happy. The reasons mentioned in the Statement of Objects is the "resource crunch". But honestly, Sir, is this the only reason? Have you honestly analysed the reasons for your failure in the nationalised coal sector? The Public Sector Enterprises Survey report has analysed this aspect.

I shall quote from it. It says that:

"The main reason for slippage in implementing the capital projects are: the land acquisition, delay in supply of equipment, change of technology, adverse geo-mining conditions, poor performance of the turnkey sectors etc."

In my area also lie two of the erring units of the Coal India Limited, that is, BCCL and ECL. BCCL has earned a loss of over Rs. 380 crore last year and the ECL, a loss of over Rs. 326 crore. Otherwise, the Coal India Limited could have earned a profit of over Rs. 867 crore. What are the reasons for this terrible performance of these two companies? According to their own admission, the capacity utilisation of dumpers used in the BCCL is only 32 per cent, that of the dozers is 36 per cent and that of the shovels is just 22 per cent. And yet, they brought various machines to the tune of millions. The interest paid on them is also one of the main causes of loss. In the Putki-Balihari project, there were machines bought to the tune of Rs. 13 crore but they have not been able to produce even 13 tonnes of coal. This is only one of the numerous examples. I can give you many such examples but there is no time to go into these things in depth.

15.18 Hrs

SHRI SHARAD DIGHE *in the Chair*

What I am trying to emphasise is that these machines were mostly bought by the aid given by the World Bank. I am terribly upset that in these changing times when everything is being

dictated by the multinationals and the World Bank, there are strings attached to the aid given by them. In fact, the Minister has admitted so much in the Coal Consultative Committees that foreign collaborations do have their terms and conditions which we have to accept. Are we not walking into the similar trap again? We are inviting the multinationals to do our work for us. Where is the guarantee that these multinational will not force new conditions on us? When these multinational were invited for the exploration of oil fields, they wanted the distribution rights as well. Where is the guarantee that they will not want these privileges again? They may demand that coal be distributed according to their fancy and that they should be allowed to fix its price too.

And then, there is another question. If we have to rely so much on foreign technology what is our own CMPTI doing? What is their success rate in comparison of the moneys spent on them? In fact, a major surgery is required in all these erring companies of the Coal India Limited, specially in BCCL and ECL. But surgery does not mean that the patient should be left there to die.

If these companies improve their performance, or at least break even, there will be no resource crunch and no need for privatisation. I am not against privatisation as such. But it is not a solution to all the evils. Which business men would like to touch a loss making proposition even with a barge-pole? If you offer all your creamy proposals to them, the Coal India will find the going even tougher.

The most important question is that I am terribly worried about the future of our men. The labour force working in the coal mines, their interests, their wages must be protected. There should not be any deterioration in their working conditions. I am afraid that these new projects will not be labour oriented. They will not bother about the welfare of the labour or the development of the nearby villages. In fact, my people are very much afraid that the horrors of the pre-nationalisation period will be repeated agains.

when they were intimidated by the goons of the colliery owners. That should never happen again. We must ensure that the horrors of that period will not be repeated again.

I would suggest that a Parliamentary Committee be formed to examine all these aspects of privatisation in depth and the hon. Minister take a decision after consulting them. The Committee may of course be asked to submit its report within a stipulated time.

SHRIBHOY KRISHNA HANDIQUE (Jorhat):
Mr. Chairman Sir, I rise to support the present amendment of Coal Mines Nationalisation Act, 1973. This amendment is necessitated by some compelling circumstances. Firstly there is an alarming power crisis gripping the country. Secondly Coal India Limited and Neyveli Lignite Corporation Limited, the major producers of Coal and lignite in the public sector, in spite of significant rise in production are facing resource constraint to go in for projects commensurate with their high production level, all in short span of time. Thirdly basic industries like steel which is the mother of all industries are facing short supply of washed coal which has adversely affected steel production.

Coal is no doubt one of the major sources of power. However, till recently coal production in the country was not that assuring to give a special thrust for augmentation of power and to sustain the steady and viable additional power generation.

But the coal production scenario has in the mean time changed dramatically. Coal India has achieved an all time high and the coal production is 204.14 million tonnes. This represents a growth of 7.65 per cent over the production 185.65 million tonnes in 1991. The coal off take was 198.20 million tonnes which exceeded the target of 194.13 million tonnes by 4.07 million tonnes. This is the highest quantum jump achieved in any financial year. It is a growth rate of 7.6 per cent despite general stagnation in industrial production during that year. But we

should bear in mind that the production is not for production sake only. The important question is, how best the increased production can serve the nation's interest.

It may however, be argued, as it has been done by some, questioning the necessity of privatisation, that consumption in power sector has already increased to 6.5 per cent in 1991-92 as against 4.6 per cent in 1985-86 and further increase in 2000-2001 will be in the likelihood of 7.2 per cent.

It may further be said in respect of despatches of power sector, Coal India has already supplied nearly 122.8 MT of coal to the power sector as against 108.6 MT in 1990-91 and has already met the additional demand of 123 MT made by Central Electricity Authority as against 115 MT, thus registering an exceptional growth rate of 13 per cent. But in spite of this, we have to bear in mind the resource constraints. Saddled with due from consumers, including the public sector undertakings to the tune of about Rs. 1,400 crores, and supported by a budgetary allocation of just Rs. 1,000 crores from Planning Commission, this potential is not just in a position to be fully tapped so that some substantial measures can be taken for increasing power generation which is the need of the hour. So, the question of providing for coal linkages to power generating units in the private sector is being mooted. This is necessary.

It is a wise decision to offer new coal and lignite mines to the proposed power stations in the private sector for the purpose of captive use. Similarly, we cannot afford a decline in steel production due to lack of electricity or washed coal. The pragmatic way out would be to have washeries in the private sector to augment the availability of washed coal to steel plants and power houses. It is no use making a fuss or raising a fracas over the issue of privatisation. Let us take it as privatisation by compulsion, and not by ideology, if that satisfies some. It is not against the Nehruvian model. It is very well in the framework of Nehruvian model according to

[Sh. Bijoy Krishna Handique]

which both public sector and private sector exist side by side.

I believe and the hon. Minister will naturally say while he gives the reply that the Government has no plan to privatise the subsidiaries of Coal India, like Eastern coalfields Ltd and Bharat Coking Coal Ltd on the sole ground that these companies have been continuously making profits. But to hand over virgin coal-mines to private parties is quite a different proposition. Power grade coal is locked in the virgin mines. It is imperative that these coalfields are exploited before it is too late.

After all, we should remember that private sector companies' participation in electricity generation and distribution is not a new thing in our country. They have become a part of Indian electricity scenario for about a century. It does not suddenly emerge out of the present policy of liberalisation. It has a history of its own. No doubt, the share of private companies is nominal - just 4.1 per cent of the total installed capacity - their capacity being 2,862 MW out of total of 69,000 MW as on date, yet no one can wish away their participation on a limited scale.

The proposed amendment give a limited role to the private sector. It is a very limited role which the amendment wants to give it to the private sector. While discussion in connection with the Coal Ministry, I would like to suggest to the Government that a separate company be formed for the North-Eastern region. This region has the highest coal reserve in the country which is mostly concentrated in Meghalaya, Nagaland and Assam. The North-Eastern region needs to have an exclusive domain to concentrate and to identify the areas.

The second point which I would like to highlight is the problem of subsidence in the neighbourhood of coalfields. This topographical instability has caused grave concern particularly in the Raniganj town of West Bengal which is the worst

case of subsidence. Coal mining in India has a history of more than 150 years and the old mining practices have left a legacy of unapproachable workings which are, in general, partly or fully water-logged. With the pressure of population and industrial development in coal mining areas, surface properties were made over unapproachable and unknown underground workings resulting in collapses and thereby causing subsidence and underground fire. The present measures are just rudimentary and slipshod. Mere sand filling will not solve the problem. It needs scientific and appropriate measures. Merely evacuating people from the area is just retreating from the scene. It is not by retreating but by attacking the problem with determination and scientific approaches that will yield good results. With these observations, I support the amendment and I do hope that the hon. Minister will also consider these two points though it is not exactly connected with this Bill, that is, formation of a separate company for the North Eastern region and the problem of subsidence in the coalfield areas, particularly in West Bengal and Bihar. I do believe that the proposed amendment will give the required thrust and boost to the production of washed coal which is helping the coal industry, the power industry and steel industry to prosper and develop.

SHRI BASUDEB ACHARIA (Bankura): Sir, I rise to oppose this Amendment Bill because this is against the spirit of coal mines in the Act of 1973. The very purpose of nationalisation of coal mines which were under the private management prior to 1973 will be defeated if this amendment is passed by Lok Sabha and it has already been passed by the Rajya Sabha. So, this will reverse the direction. Sir, this year is the 20th year of nationalisation of coal mines. Sir, when the Coal Mines Nationalisation Bill was brought in 1973 by the then Minister of Coal, Mr. Kumaramangalam, he said:

"Coal is really the crucial source of mineral wealth in our country. During the period of absolute laissez-faire, profit was the primary consideration. The safe methods are only in the

picture and national interest was completely forgotten. This legislation is brought in order that ownership and control of such resources are vested in the State and thereby so distributed as best to subserve the common good."

When this Act was amended in 1976, in the preamble of the Act also, it was added, saying that it is hereby declared that it is expedient in the public interest that the Union should take under the control of regulation, development of coal mines to the extent therein after provided in Sub-section 3 and 4 of Section 30 and to provide acquisition and transfer right in order that the ownership and control of such resources are vested in the State, thereby so distributed as best to subserve the common good.

So, without amending the preamble of the act, how can the Minister bring this amending Bill? While moving the Bill he said that DGMS will be there to see that the safety measures are taken when as the coal mines will be handed over to the private owners. DGMS was there prior to nationalisation also. All these regulations were also there. In spite of all these things there was no scientific mining and no safety measures were taken by the private owners. You may be knowing that the fire which took place in Jharia coal field in 1933 is still continuing. The main purpose of the private owners was to garner more and more profit and they did not look after the welfare of the workers.

One of the reasons put forward by the Minister to bring this amending Bill is to have a better quality of coal. We have abundant reserves of coal. In our country we have prime coking coal to the extent of 4039 million tonnes and medium coking coal to the extent of 18234 million tonnes. Nearly 40 per cent of the medium coking coal belongs to low volatile category which has practically remained un-utilised.

There are about 62 coal washeries and their capacity utilisation is about 70 to 80 per cent. The ash content of the coal washed by these washeries is about 20 per cent to 21 per cent. We

are importing coking coal to the extent of 7 million tonnes. This year we will import 7 million tonnes of coking coal from Australia for our steel plant. ISCO has one washery in Chasnala. The coal washed in the Chasnala washery carries an ash content of 17 per cent. Out of the 60 washeries that we have, most of them were manufactured in sixties and thus the machinery and the technology used in those washeries have become outdated. They need modernisation. Some of the washeries are now covered under the modernisation programme.

So my modernising these washeries, we will be able to increase our capacity, increase our production and also improve the quality of coal.

The Central Fuel Research Institute (CFRI) had prepared a Report where it had been stated that our washeries can produce such quality of coal which we are importing from Australia and thus we will be able to save our scarce foreign exchange. There are four washeries which were previously captive washeries of Hindustan Steel Company Limited viz. now, the Steel Authority of India Limited. They are Patherdih, Dugdha and vhojudih washeries. These washeries are of Bharat Coking Coal Limited. These washeries were prior to 1983 viz. the captive washeries of Steel Authority of India. But these were merged with Bharat Coking Coal Limited. We do not know the reason. We do not know whether after the merger with BCCL the quality of washed coal has been increased and whether the ash content has been reduced. But what we have seen is that after 1983, the quality of coal had deteriorated and the capacity utilisation of these washeries had also reduced. So, there is a demand since the inception of SAIL viz. erstwhile Hindustan Steel Company Limited, that these washeries should be re-merged with the SAIL.

Sir, a Committee was constituted. When this question was asked, the former Coal Minister had said that a Committee had been constituted and the Committee was to give its report by 31st March. The Report had been submitted to the Ministry of Coal. We want to know whether the

[Sh. Basudeb Acharia]

Minister of Coal had taken any action on this. His predecessor had admitted that after the merger with the BCCL, both quality and the capacity utilisation had deteriorated. A number of experts who were working in our country on this were trying to find out how to reduce our import and how we will be able to save our scarce foreign exchanges. They had also suggested that if these washeries are again merged with SAIL and made captive coal washeries, then the SAIL's interest will be there to produce better quality of coal with less ash content.

You see Section 2. It is stated "such other end use as the Central Government may by notification specify." Now, he is stating, for generation of power, you require funds. There is constraint of funds. The private sector and the multi-national companies will come and set up thermal power stations. For this, the requirement of coal will be increased.

The production has to be increased. Our target of production by the end of the Eighth Five year Plan is 311 million tonnes. Last year, Coal India could produce 214 million tonnes. In order to achieve that target, fund is required; but budgetary support has been reduced to 90 per cent from 100 per cent.

The Minister has said for better quality of coal, for beneficiation of coal, for smooth transportation of coal, for everything better, they are handing over some of the coal mines to the private sector. He has said a number of times that Coal India will not be privatised. What is this?

Already Tata has some captive mines; Tata has been allowed to retain mines; Tata has already coal washeries. Only Tata was allowed when coal was nationalised; no other private party was allowed to retain even captive coal mines. So, in the name of allowing the private companies, allowing the multinational companies the captive mines, now the government is denationalising what was

nationalised in 1973 in a clandestine manner.

We know there are problems of getting land; then there are mechanised machines. You will be surprised if you see the utilisation of heavy earth movers machines. The average utilisation is 60 to 65 per cent. The percentage of a breakdown of these machines is 19

What steps the Coal India has taken to improve its productivity? What steps the coal India has taken to improve, what is called, OMS, which is the lowest among the developing countries. China has the largest number of underground mines; it has 80 per cent underground mines; and having 80 per cent underground mines, China is the largest producer of coal; China last year produced 1000 million tonnes of coal; whereas we could produce 214 million tonnes of coal. We have abundant reserves. If those reserves are exploited, then we can have more production. Even proper exploration work has not taken place.

In my State, Raniganj Coalfield is the oldest field in our country. The entire Raniganj town is in danger. There is a need for shifting Raniganj town, the entire coal belt area because of private mining. Once there is private mining then there is a danger, because these private owners do not take any safety measures. Their motivation is to corner profit. If these coal mines, which were nationalised in 1973, are handed over to the private management, then the same method they will adopt. The only purpose of the multinational companies is to corner profit, not to adopt any safety measures or social obligation.

In underground mining, we can get better quality of coal. But, what is the position in our country?

The production in underground mining is gradually reducing. In ECL in 1988-89 it was 16.40 million tonnes and it has been reduced to 11.72 million tonnes. The total production in coal India in 1988-89 was 61.28 million tonnes and it had come down to 45.84 million tonnes in 1991-92.

The hon. Minister may enlighten us whether the production in underground mining has been increased because for a better quality of coal we should have underground mining and it is also labour intensive.

We support the demand of the North-Eastern States. In fact, the Committee on Public Undertakings had submitted a report on Coal India where it was recommended that there is good quality of coal in the North-Eastern region although the silver content in the coal of the North-Eastern region is 40-45 per cent. Still that coal can be utilised by our steel factories if it can be carried through Bangladesh. If it could be carried through Bangladesh then transportation costs would be less.

I support the demand that there should be separate company for North-Eastern region. Although it may be a small company, still it will be directly under the Coal India. There is need for a separate subsidiary company for the coal mines which are in the North-Eastern States to boost up production of coal there.

We should also have a washery of the Coal India in the North-Eastern region so that the coal extracted there can be washed, the silver content and ash content can be reduced, and then that coal can be utilised by our steel industry, so that there would be no need of importing coal.

There was an agreement to import seven million tonnes of coal; in 1980-81 it was one million tonnes. India used to import from Australia and the imported quantity increased to seven million tonnes. But our steel production has not been increased to that extent since 1980-81.

There also the need to have the modern technology is there in our country because we have our indigenous coal and we have abandoned large reserves of coal. I cannot understand why we cannot have that technology in our country. With a mere 19 per cent of ash content, if we can develop our technology, we can have better

results and we need not depend on the import of coaking coal for our steel industry.

What is happening today in the case of DAP in our country ?

Most of the plants were closed down because of our dependence on imports from abroad. We want that we should not go in there reverse direction. That is against the spirit of nationalisation. The government is trying to undo what was done in 1973, by this amendment The Nationalisation of taken up in 1973.

I oppose this Bill and I hope that the hon. Minister will accept the suggestion to refer the bill to a Select committee, not to a Joint Select Committee because already the Rajya Sabha has passed this Bill.

The day Opposition boycotted the Rajya Sabha sitting because of Ayodhya issue, the Bill was passed there. So, I am making this suggestion and I hope that the Minister will definitely accept that this Bill be referred to the Select Committee. All the Members of parliament will then discuss it and give their views. So, it should not be passed, then it will be against the spirit of nationalisation of coal mines.

[*Translation*]

SHRI DEVENDRA PRASAD YADAV (Jharkhand): Mr. Chairman, Sir, the Coal Mines (nationalisation) Amendment Bill, 1973 has been brought forward in the House for further amendment. But this is against the Preamble of the Constitution. Secondly, how far it will be in the national interest to privatise the coal mines is a matter to be considered. How far it will be in the interest of the workers also to invite the private sector companies or multinational companies. I think it is against the interest of the workers. I will even jeopardise their democratic rights. So, I rise to oppose this Bill.

So far as the aims and objects of this Bill are concerned, it has been stated that privatisation

[Sh. Devendra Prasad Yadav]

16.00 Hrs.

[SHRI TARA SINGH *in the Chair*]

has to be encouraged for the production of good quality of coal. This has been stated by the Minister also. I would like to submit that this is totally against the aims and objects. They are only in literature and nothing will be done in practice to fulfil them. Best quality coal is available in Jharia, Dhanbad and West Bengal. So far as the question of modernisation of washeries is concerned, new technology should be applied in them. Instead of nationalisation, it is being said that private sector should be encouraged. In fact there is need to modernise the washeries. If this is done good quality coal can be produced even today. There will be no need to privatise the coal mines for this reason.

Regarding power generation, he has stated that it will increase by 3000 megawatts. In this regard, he said that they are bringing this bill under the Eighth Five Year Plan for this reason only.

I, therefore, would like to submit that this Bill wants to sabotage the spirit of nationalisation so far as Bihar is concerned. We will not allow anybody to take away coal from Bihar. The way Coal sector is being handed over to private sector is unfortunate. It has been clarified in the Objects and Reasons of the Bill. We will not allow anybody to carry coal from Bihar. The royalty on coal has been withdrawn through the Supreme Court orders. Now the outstanding royalty is not being paid. The royalty rate is not being raised. Coal is the greatest mineral wealth of Bihar. It is available in abundance, particularly, in Jharia and Dhanbad in South Bihar. There are huge reserves of coal. But the Government is not in favour of modernisation and providing latest technique in the field of mining. It has not taken any initiative in this direction. The Central Government is interfering in State matters and encouraging multi-national companies to come in the coal sector. It is pushing the country towards economic slavery by promoting the multi-national companies.

The country is being mortgaged. It is a blow to our self-reliance and sovereignty. The Government is just trying to find lame excuses like increasing power generation etc. for getting good quality of coal. Therefore, I categorically state that it will not increase production. There is a deliberate attempt on the part of the Government to mislead us through this Bill. The mentality of the Government is quite obvious. The Bill has been brought in the name of increasing power production, but it is not a fact. This is all I wanted to say.

[*English*]

SHRI SRIBALLAV PANIGRAHI (Deogarh): Mr. Chairman, Sir, this is a very small, one-page Bill; only on the side of one page. It is one of the smallest Bills which has come before this House for consideration. Generally we have Bills which run into several pages. Although it is a small Bill, a one-page Bill, it is quite a significant Bill. In fact it is with far-reaching consequences. There are some doubts also being expressed about this Bill. I make it very clear at the outset that I support the Bill. Of course, I have some reservations.

I was very carefully listening to the speeches of the hon. friends from the other side, Shri Basudeb Acharia, Shrimati Rita Verma, Shri Devendra Prasad Yadav etc. I would like to ask them one question. Are there respective Chief Ministers - Jyoti Babu, Lalu Babu or Biju Babu not inviting industrialists, multi-nationals to come over to their respective States and make investment in power sector? The question will be put to Jyoti Babu whether he wants power plants in private sector because we do not have money to that extent and some multi-national companies or some outsiders are interested and are they not positively responding to such questions?

In fact, last week I have got a letter from the

Chief Minister, Orissa wherein he has, rather, glorified himself and he has taken the credit of having arranged large-scale investment for power sector in Orissa, which I happen to represent in this House. Why this double standard? When they want private sector to come and invest, they do not mind power plants to come up in private sector, why should not the say so? When those people who are coming for setting these power plants, have a condition of captive coal mining, what is the option for the Government? That is the compulsion underlying this Bill.

We cannot afford to remain without further growth of power sector.

We have to go in for further higher generation of power. As you are aware, it is power which holds the key to the progress and economic development of the country.

Sir, everybody in this House knows the extent of power shortage in our country. There is hardly any State which does not suffer from power shortage. Our State of Orissa has to its credit, one-third of the total coal reserves of the whole country, but we have about 33 per cent of power cut and even during winter, we have power cut. So, is the situation in some other States. So, when we do not have money and we cannot arrange funds for investment in the power sector is being given some concessions. In the Steel sector, Rourkela Steel Plant and some other Steel Plants have kept captive coal mines the Tatas also have kept captive mine. Even some of the people who have these captive coal mines, they are interested to hand over then to Coal India Limited. This is also a very serious situation. Precisely speaking, this is a part of our liberalisation policy.

Sir, everybody knows that now we are implementing the liberalisation policy and it has also started paying dividends after about 15 months. This year's budget is an evidence thereof. Everybody also knows what would have happened had we not gone for a liberalised economic policy. Twenty years ago, in 1973 when Madam Indiraji was the Prime Minister, at her instance, there was nationalisation of coal

mines in our country and it was definitely a historical measure and naturally, the public sector was given the highest importance at that point of time. I would again like to make it clear that I am an ardent supporter of public sector. But when changes are taking place very fast all around us, naturally we just cannot manage without power and that is why we are going in for this step.

Then, what was the intention behind this nationalisation of the coal sector? It was nationalised to have regular, systematic and scientific mining. The private industrialists who were engaged in coal mining, they were suddenly abandoning it.

In that way, there is a colossal wastage. That danger is looming large now also. You have to see how to prevent it. No doubt, we have large deposits of coal. But that is going to be exhausted at some point of time. It is not inexhaustible. Therefore, that point has to be considered.

Secondly, exploitation of labour was maximum in the coal fields. Safety standards was not followed. There is exploitation of labour in the mines and there are also environmental hazards. Even we have grievances about our own Government agencies because they are also sometimes not up to the satisfaction, what to talk of the private people. The private industrialists are very much profit minded and, therefore the responsibility of the Government has increased manifold.

The noble purpose underlying the nationalisation of coal is not totally defeated by this new provision. To some extent, it is going in a reverse direction. But because of compulsion of situation, it is to be done since we have opted for liberalisation, we have gone for it and even those who are opposing here, their Chief Ministers are welcoming it. So, there should be safeguards looking at the situation. Naturally what is necessary is, the required standards are to be provided so that the coal miners and workers do not suffer and are not exploited.

At the same time, it is also to be ensured that the environmental situation does not deteriorate.

According to the target fixed for the Eighth

[Sh, Sruballav Panigrahi]

Plan, we have a programme of generating 30,538 mega watt of power. Out of this, 20,156 mega watt of power will be thermal power based on coal and lignite. For that about 311 million tonnes of coal will be necessary. There is a provision in the Eighth Plan for production of 298 million tonnes of coal. Therefore, there will be a gap of 13 million tonnes. In terms of money, the coal industry in the public sector needs Rs. 19,375 crores. As against that, they have been provided with Rs. 11,320 crores. The gap is about 8,000 crores. Naturally for this gap, there is no other alternative than to depend on the private sector. Over the two decades, since 1973, after sustaining accumulated loss of Rs. 3,000 crores, there are some good words about the coal industry in public sector that they have turned the table for the last two years. Last year, they have earned a clear cut profit of Rs. 100 crores.

In production and productivity, there has been record growth and it is impressive. In productivity also, there has been marginal improvement. But there is a lot to be desired in the field of production, productivity and all these things, to economise, also the mining, to bring in more efficiency in all these things. It needs further improvement.

At the time of nationalisation, they were getting 100 per cent budgetary support which was reduced to 95 per cent in 1985 and it is now 19 per cent. There is no budgetary support to them and they are working and they are also trying to improve. At the same time, Coal India needs encouragement and I also wish, them God speed.

The objective of the Bills is two-fold. The Bill provides for captive mining in two areas which are power generation and washeries. We have lot of coal in our country. But even then we are importing a large amount of coal from abroad and now even Tamil Nadu Government is toying with the idea of import of coal. It has been discussed. We have to be self-sufficient in our country. We should achieve self-sufficiency in this field also so that we need not go for import of coal. We have to qualitatively upgrade our coal.

How can we do that? By having new type of improved technology and, at the same time, by immediately establishing a large number of washeries in different coal fields and by washing the coal there also, we can bring in certain improvement in the quality of our coal and, to that extent, import could be lessened.

Therefore, this is a welcome measure. We do not have money for washeries and, for that again, 40 per cent or 45 per cent ash content is there. Thus the pressure on transport will be reduced. They are not able to provide the required number of rail wagons. That pressure also will be reduced.

This Bill has got very bright aspects and the apprehension of it has some dark aspects also. The government should be conscious about that.

Those people who are asked to sacrifice their land, are suffering very much. New projects are coming up research in coal mine, and new plants are being set up. They contribute to the over-all development, economic development of the country and they are themselves sacrificing. We have to ensure that their conditions also do not deteriorate.

Whatever we do, that cannot compensate their land. Recently, in Talcher area in my Constituency, a large number of villagers created a situation and Ananta and Kalinga mines did not function for some days. In the process, there is huge loss. They demand jobs etc. There should be proper rehabilitation also. Whatever is there, that is not being properly implemented in letter and spirit. In these areas, there are environment hazards. Many people are suffering from TB. There is no drinking water in the coal belt not only in Orissa but all over the country. Where there is coal, there is no water. You have to provide drinking water to all these people in the coal belt, by whatever means possible, by drawing water from the rivers etc., may be from distant places also, by the pipe system. In places, we have to tubewells.

We have to bore tubewells and provide water, peripheral development, jobs etc. to those people. These are the people who are sacrificing their lands and on whose toil we are building the

economy of the country. They should not have a sense of neglect. In fact, they should not be neglected.

I am concluding now. Now I come to gradation of coal. About gradation of coal, injustice has been done to Orissa. It is all power-grade coal that is available there. The gradation of coal should be revised as also the royalty on coal. The Government of Orissa as also some other State Government have their own stories to tell. Of course, there is one Welfare Fund that is being misused by the Government of West Bengal and somewhere else also. There is no time. I would request the Government to give a fresh look to it. It is time to give a fresh look to it. On the question of fixation of grade and fixation of royalty, you should look at it afresh. There is a contradictory situation. The irony of it is that those States which are rich in coal deposits are very very backward. The States like Bihar, Orissa, a portion of Bengal and Madhya Pradesh are backward. Of course, the situation is different in Bengal. These coal-bearing areas are very very backward, undeveloped and the people are also very much neglected. Therefore, all-out attention should be paid to these areas for the overall development. Whatever money flows from the Centre to the State by way of royalty, a sizable and substantial portion of that should be earmarked for the development of the coal-bearing area in the State particularly with regard to drinking-water, communication, education, health, environmental programmes etc.

Sir, Orissa, as I said earlier, I has got one-third of the total coal reserves in the country. But it is again another irony that it was not having a separate coal company of its own till recently. Last year only, Orissa had got a separate coal subsidiary under the CIL. It has its teething troubles about staff, about clearance of posts and other things. So, I would request the hon. Minister to look into this case specifically.

I conclude my speech with one request. There should be a separate coal division at Talcher.

MR. CHAIRMAN: Shri Sriballav Panigrahi, this is not a good habit. You have to cooperate with the Chair. You have taken 25 minutes,

SHRI SRIBALLAV PANIGRAHI: I would conclude now with this. I welcome this Bill. I support this Bill. But the doubts that are being expressed seeing the dark aspects that are associated with the Bill should be taken care of in right perspective so that nobody would get an opportunity later to point anything, to criticise the Government.

With these words, I conclude.

[*Translation*]

SHRI RAMTAHAL CHOUDHARY (Ranchi): Mr. Chairman, Sir, I rise to oppose the Coal Mines Nationalisation (Amendment) Bill. In this connection, Shri Acharia, Shri Yadav and Shri Panigrahi have expressed their views. This Bill seeks to invite Multinational companies in the Coal Sector. There are umpteen coal-mines in my constituency. The plight of workers there is unfortunate. After the closure of mines the workers especially the tribal families have not been rehabilitated. The displaced families have not been provided work nor have they been provided justice.

Recently the hon. Minister visited Ranchi and also visited the areas like Khalari and Piparwar etc. There has been acute shortage of drinking water for last two or three years in coal mine areas like Ray etc. I have drawn the attention of the officials of the concerned Department time and again to this matter on my personal level. I raised this matter in the meeting of the Consultative Committee also, but it is regrettable that adequate arrangements of drinking water have not been made so far for the people there.

The royalty money received for the coal in the Vananchal or the Jharkhand area whatever we may call in Bihar is spent elsewhere. That money is not spent on the development of that area. That money is used either for the education of the people there nor for any communication facility in that area. Be it Bihar, Bengal or Orissa, I demand that the royalty recovered there should be spent for the development that very area. But attention has not been paid to it so far.

When the hon. Minister visited Khalari, the local people might have drawn his attention to

[Sh. Ram Tahal Choudhary]

their problems. I would like to point out that the construction of an overbridge is very essential there. In the absence of an overbridge the vehicles have to wait there for 6 to 8 hours at the level crossing. The general public is put to lot of inconvenience and it takes lot of time in loading and unloading of coal. I had suggested in a previous meeting regarding the Khialari-Piparwar Road, that a road should be constructed direct from Ray to Ranchi via Thakurgaon which would cut the distance by at least 25 to 30 kilometres and the Department would be particularly benefited by this. I have drawn the attention of the Government of this fact several times. but I do not know by when that task would be completed. All your officials are aware of it.

The coal mines have to suffer heavy losses due to erratic supply of power and often they have to stop their production. In this regard also I have given suggestion and a survey has been conducted. Many years ago a scheme of NTPC was formulated for their area and approval was given for the establishment of a Super Thermal Power Station at Burma block in the Safi river Kanarirai coalfields. Its survey work was done in 1988-89 and employees also have been appointed for this purpose. After completion of this project it will generate approximately 500 MW of electricity and there will be enough supply of electricity not only to the coalfields but also to the whole area of Chhota Nagpur and other areas in Bihar. There are no hinderances in the early completion of this scheme. There are no disputes like land as it is on the Government land and has full public support. Therefore, if this scheme is completed at the earliest, then the whole of the coal field area will get regular supply of electricity and along with this the Chhota Nagpur area and other parts of Bihar will also get the proper supply of electricity. So I would like to say that Government should take appropriate steps and make arrangements to complete this scheme.

Along with this the Bhokunda is such an area which has become totally hollow from inside and on the surface many villages are situated and beneath those villages there are coal mines. If adequate safety arrangements are not made immediately that area can cave in and it is also

possible that the whole city may cave into that mine. Any big accident may occur there at any time. So I would like to draw the attention of hon. Minister towards it and suggest that safety measures should be taken by the Government. At the same time I would also like to draw the attention of the Government that proper quality of coal should be supplied. Often there is a complaint that the production is raised by mixing stones with the coal. You often supply the stone-mixed coal for sale and in the records of the department an increase of production is being shown. Small-scale industries, Brick-kiln industry and others are not getting the proper quantity and quality of coal and are facing great difficulty. So, I would request you to make arrangements for the supply of proper quality and quantity of coal to them,

Mr. Chairman, Sir, through various newspapers and people we come to know about the mismanagement in the field of mining. We have also heard that coal is being mined illegally and it is being sent outside through middlemen. People from police department are also involved in it. This should be stopped immediately, as it causes loss to the department and the Government.

Mr. Chairman, Sir, the quarters there 40-50 Years or even 100 Years ago, which have not been repaired since long. There is no sewage system, roads and arrangement of drinking water. So, labourers are facing great difficulty. It is very necessary to make some arrangements in this regard. Arrangements for schools, hospitals and residential quarters should be made there. It is my request that there is the immediate need for all these facilities and a lot of improvement is to be done there.

Mr. Chairman, Sir, you provide coal to common people at the rate of Rs. 18, 20, 22 or 24 per maund whereas its market rate is between Rupees 50 to 60. Thus, there is a big difference in the rates. Therefore, I would like to request that you should fix the rates of coal for common people, for small scale industries and the rate of profit for middlemen after considering all these factors. You please remove this big gap between the rates as this creates the doubt about the image of the department and people connected with it. There is the urgent need to stop this

blackmarketing.

Mr. Chairman, Sir, you should stop the extravagant and arbitrary increase in the prices of coal. Alongwith this I would like to say something about the environment, as we are spending a lot of amount on this. In the last meeting of Parliamentary Advisory Committee I pointed out that you should keep an account of money allocated and spent for environment, the number of trees planted and the work remained to be done in this regard. But you are not paying attention towards it, but you only give the statement about the amount spent on environment. In fields you will not find even the half of the number of trees and plants as shown in the records. You will not find even 50 trees actually though you have plants 100 trees on papers, so you should keep an item-wise account of money spent and the profit or loss occurred by it.

Mr. Chairman, Sir, I would like to say that this department also spends a big amount of money in the name of development, there had been a lot of work and it is still on and this is good. But along with that I would like to say that there had been misuse of the money spent in the name of development, so you should take care of this.

You should get information about the amount of work actually done for which you have allocated the money in the name of development during that very year.

[Translation]

Though funds are allocated for developmental works, no work is done practically. Work is shown in paper only and the money is pocketed by vested interests. There is an urgent need to check this practice. It should be ensured that funds are used for the purpose for which the allocation was made.

I would like to repeat that people should be provided transportation facilities. The adjoining areas of Hindgiri are covered by forests. The Government is not concerned as to how these people's children could reach there and get education. People live in hill tops. Of course Ranchi is very close. The Government does not feel concerned about the welfare of the people

who work hard. I have submitted before and am submitting again today that the Government should pay attention to 10-15 kilometer area which is covered by forests and no vehicle can ply there. There is a need to link that road so that children could reach Patarat and receive education.

There are apprehensions in the minds of people that multinational companies are being invited into the country. Let any company come but it must work in the interests of the people of that area. All the hon. Members have expressed apprehensions in this regard. Only time would say what the Government is doing and what it intends to do.

With these suggestions, I oppose the Bill and conclude.

[English]

SHRI ROMESH CHENNITHALA (Kottayam): I rise to support the Coal Mines Amendment Bill which is introduced by the Minister. This is a very important Bill, as far as I am concerned. There are certain apprehensions in the minds of the people. My first request to the hon. Minister is to clear all these apprehensions.

In 1973 we have nationalised the coal mines and now by this amendment we are opening a Pandora's Box, We are giving a chance for the private people, multinationals, foreign companies to enter into the field of coal. The coal, power and steel are the infrastructural sector which will give life to the development of our country. If we are opening this and allowing private people to operate in this field, we must be highly cautious. The Government must be cautious because this will definitely affect our economy, our industry and in the coming days it will definitely affect our worker also. Coal is our natural wealth. So we are allowing the private people, multinationals and foreign companies to enter into this field. Of course, I am aware of the financial crunch which is faced by the Coal India Limited, Nyveli Lignite Corporation an because of the dwindling budgetary support. Hence, of that, these problems are coming up. It is definitely affecting our power generation. Without power, we cannot go. Now the shortage of power is the main handle for starting new ventures in our

[Sh. Romesh Chennithala]

country. We cannot have industrialisation without power. So, high power generation should be give priority. The Government has taken a decision for allowing the private people for power generation. For that, the coal is made available. Our public sector units cannot provide coal. So, now this became a necessity for allowing the private people-the multinationals and other foreign companies-to enter into this field.

The point is that when decision for nationalisation was taken in 1973, the expectation was to increase the production. The expectation was that the price will go down. But unfortunately our expectations could not be fulfilled. Moreover, the coal production per worker in country is the lowest compared to other countries. In the field of coal production, our endeavour should be to achieve have self-sufficiency. How can we achieve that? In countries like China, they are giving more importance for the underground mining. We should pay more attention to the underground mining. Wherever it is possible.

Some of our friends from the other side mentioned about certain measures to attain self-sufficiency. Recently, the Tamilnadu Government, because of shortage of coal, was requested to import coal from Australia. Our super thermal projects were suffering because of non-availability of coal. How can we overcome this? That is the most important matter to be pondered over. This Bill is definitely creating confusion in the minds of people. What are the conditions? When we are allowing the private people foreign companies-into this oritical field, what are the main conditions which have been laid down? What about the future of the workers? What about the safety of the workers? These are the points which are to be taken care of. When we are allowing the private people to enter into this field, these are certain important question which should be answered by the Government.

What will be the control by the Government? When the private people are allowed to operate in this field, certainly, there must be some control from the Government side. Moreover, I wanted to mention another point that some of the speakers from the other side mentioned about the start of affairs of workers in this field. I think

the Government will definitely take care of the aspect. Certain measures have already been taken from the Government side. But these have not at all been fulfilled. So, the workers in the field are suffering a lot. My appeal to the Government is to look after the problems faced by the workers in the coal aires.

I do not want to take much time of the House. Once again, I want to request the hon. Minister to clear all these apprehensions in the minds of the people and take care of the workers to augment coal production so that in future the reason can meet the challanges.

[*Translation*]

SHRI TEJ NARAYAN SINGH (Buxar) : Mr. Chairman, Sir, I rise to oppose this Bill. All the coal mines of the country were nationalised. People thought that it would increase production and ensure progress in the country. It will also end exploitation of labourers. All this happened during the Congres Rule. It enacted the law and nationalised the coal mines. It hoped that it would ensure nation building and not national destruction. But today a new thinking has developed. Today people think that nationalisation would cause ruin rather than development. For a lay man like rfe I feel that this type of thinking will cause destruction and not construction. If this law is enacted the labourers who call themselves Government servants today would become servants of some private companies. This will lead to their exploitation and curtail their wages. We have resolved that we would not allow exploitation of labourers. We will implement the Minimum Wages Act and give the Labourers their due wages. If it is transferred from public sector to private sector, it would increase exploitation. In all private sector organisations, labourers are being exploited. We are not able to make improvements in it. Therefore, I oppose this Bill.

The Government says that this would increase production As per Government records coal production has increased after nationalisation in the country. As per Government figures production is going to increase during the Eighth Five Year plan. If the the Government considers that machinery has become obsolete. it can replace them by new ones. If the tolls have

become old and torn they can be replaced. Earlier agriculture was done by ploughs and bullocks but today it is done by tractors. There is no hurdle in it. World is progressing and this country should also march ahead. My personal opinion is that principles of socialism are moving forward not backward. Therefore, the Government should see that nationalisation continues further. There is no need to force this black law on this country. There was a time when labourers tolerated exploitation but today they will not tolerate it. The labourers of Bihar migrate to Delhi in search of livelihood and tolerate exploitation. They are satisfied with whatever wages they get. That is why Bihar is so backward today. The Central Government did not pay any attention towards it. Bihar is not getting its due royalty for coal. That is why the condition of the State of Bihar is the largest producer of coal. Even then Bihar is not getting reasonable prices and royalty for coal. One of my colleagues had rightly suggested that if the Government feels that the coal sector is running in loss, it should make the law more stringent. Coal is sold at the rate of Rs. 18 per mound at Dhanbad and Jharia. The cost of same coal is Rs. 50 at some places and at others it is Rs. 80. Only Rs. 18/- goes to public exchequer. Had the sale proceeds as Rs. 50/- been coming to public exchequer, it would have been well understood. It goes into the hands of Mafia gang. Therefore the government should buy and sell coal at reasonable rates. Mafia Gangs should not be allowed to operate in the market. At the same time I would like to urge the Government that some measures are very essential to be taken. The Government should evolve new technology for increasing production. The Government should also provide housing facilities to labourers.

Provide them medicines and drinking water and ensure their emancipation from the exploitation so that production can be increased to the maximum extent. A number of places from where coal has been extracted are likely to sink. I don't know whether Government are concerned about it or not but such a thing has happened at several places. If the Government do not pay attention towards this, I think several places in Bihar, Bengal and Orissa will ruin. Nobody can assess the loss likely to accrue as a result thereof. I would, therefore, like to accrue as a result thereof. I would, therefore, like to urge the

Government to consider these aspects and make arrangements to rehabilitate them, so that they are not ruined. I shall make another submission before concluding that the production of coal is likely to increase and it can increase through nationalisation, then there is no need to give an opportunity to enter the private companies in this sector. Nationalisation is not going to strengthen our position, and when our position is not strong, then how the power generation is likely to increase. When its development is ensured by using coal haulage machines and sophisticated machines then what is the need to amend this Act, so I oppose it.

With these words I conclude.

SHRI VIRENDRA SINGH (Mirzapur): Mr. Chairman, Sir, I strongly oppose the Nationalisation Amendment Resolution because it has only been given a title as nationalisation whereas in actual terms it is taking over by the Government. The question arises as to what is the difference between the nationalisation and taking over by the Government. The procedures adopted or the nationalization are in the interest of nation while the procedure adopted in taking over by the Government is meant for the benefit of the Government or certain Government officials. Therefore, I may call this amendment and the process adopted there for a Government amendment Resolution. This resolution is in the interest of the Government. Therefore, I strongly oppose it.

Sir, just now my friend Ramesh Ji said that the need to introduce this amendment is felt because the public sector enterprises Coal India Ltd. was not producing coal in accordance with the requirement of power generation. I would like to say and want to ask the hon. Minister when coal production is not being done by the Coal India Ltd. then how it is being projected that Coal India Ltd. is earning profit. On the one hand it is being shown that Coal India Ltd. is not producing coal and on the other hand it is being projected that the Coal India Ltd. is earning profit. This is contradictory. The Government should consider the false propaganda. I am concerned about this nationalisation Amendment Bill and I have been expressing my concern about the acts of this Government that the multi-national companies are entering in every field in India. Today, I also

[Sh. Virendra Singh]

expressed my concern over domination of multi-national companies but it has not been replied. In each and every meeting of the Advisory Committee I have been expressing my concern to the effect that a conspiracy is being hatched by the multi-national companies to enslave the country by entering in every sector of India, dominating commercial sector and capturing its industrial development. I think the attention of the hon. Prime Minister, Minister of Coal and Minister of Power not been drawn of this aspect because their family members and relatives all these people are in the grip of multi-national companies and by encouraging multi-nationals they are taking the country on the path of slavery. Hence, I call this Nationalisation Bill, a Governmentalisation Bill. This step has been taken for the benefit of a few persons favoured by the Government.

Mr. Chairman, Sir, it had been described a revolutionary step when coal companies were nationalised during the regime of Indira Gandhi because at that time coal was in private sector and the labourers were exploited. I am not speaking in favour of privatisation but I would like to say that despite all these things coal was available at lower rates in those days and after taking over by the Government the prices of coal went on increasing, hence I call it Governmentalisation. Prices go on increasing because red-tapism and corruptions also go on increasing. Earlier owners of Coal Mines exploited the labourers, rural labourers and make money, today ministers, officers of the coal companies and Government officials make money. So instead of nationalisation I called it Governmentalisation. If this process continues and multinational and foreign companies enter in every sector of Indian economy, one day they will completely dominate the country.

[English]

DR. KRUPASINDHU BHOI (Sambalpur):
Can this type of wild allegation be allowed to utter in the House?

MR. CHAIRMAN: This is a general thing.

[Translation]

SHRI VIRENDRA SINGH: Whatever I am saying I am saying with full authenticity and not like those who speak only to misguide the House. I will support all my submissions with proofs.

Mr. Chairman, Sir, the way the multinational companies are getting control over every field of business is causing discontentment among the labourers. Big machines are being imported from the foreign countries on the terms of foreign companies. Those machines would be used here to ensure production. It is never advisable for a country like India to go in for production with the help of big machines. I should not be done and what is required to be done is to utilise the manpower of the country. Industries of India should be employment-oriented and not production-oriented. When employment oriented industries are set up here production will automatically increase. That will also solve the problem of unemployment and reduce discontentment among the labourers and they will be saved from exploitation. I am however, sure that the Congress Government would never like to set up employment oriented industries in India. This is because the Government has agreements with the foreign companies so that they may get the candidates recommended by the Congressmen adjusted on high posts in their companies.

Mr. Chairman, Sir, foreign companies are now being invited to India to set up their business here. The East India Company had once come here in the same way for doing trade. At that time also the people thought that the white people might have come for the purpose of trade alone. But they stayed here and ruled over our country for 150 years. Similarly, multinational Companies are now setting up their business in India in almost every areas of business, so much so that they are even entering into the area of rural industries. The result of it will not be very good.

17.00 Hrs.

Foreign Companies are entering into coal and electricity Sectors. This should be checked

forth with. The complaints made against the bureaucrats and Ministers are causing discomforts to the people in ruling party. You know that the officers of the Coal India Ltd. come to Delhi by aeroplane and they return to Calcutta without holding consultations. You are also aware that several lakhs of ruppes are spent over the programme of the hon. Minister there. You have also had the knowledge that when Rs. 1500 are spent on a particular programme against the sanctioned amount of Rs. 500 several inquiries are made. (Interruptions)

The price of coal is continuously increasing. Actually, coal is such a commodity that any increase effected in its price results in the increase of prices of all the essential commodities in India. Our colleague Ramesh Ji belongs to the Congress Party, but I must say that the youths do have a spirit which they lose after joining the Government side. Previously there used to be young turks in the Congress party and I thought that Mukul Ji would prove himself to be so. But he has lost that spirit after joining the Government. It is a normal duty of the young Ministers to challenge the Government while still being in the union council of Ministers. I can say with full authenticity that the decision of the Government is not in the interest of the country, rather it is a decision to enclose the people of the country. I wanted to speak about the price of coal. The prices of coal increase because the expenses of officers and that of the Government increase and the cost of production of coal increase. What is required before fixing the price of coal is to fix the cost of production of coal. I do not think that the Government makes any assessment in regard to the cost of production of coal, but the fact remains that India faces all round price hike whenever there is any increase in the prices of coal. The hon. Minister has said that the proposal had been forwarded in order to ensure development in the power sector and in order to increase the production of electricity. When there is no increase in production of electricity in power sector, I fail to understand as to how the foreign companies would be able to increase the power production in private sector or does it mean that the people of India will have to bear the burden of foreign companies. (Interruptions)

One of our colleagues said that coal would be

imported. I do not think that the quality of our coal found in Orissa and in other places is so bad that we need to import it from abroad. I can say with full authority that coal of every quality is available in India in abundance and it is imported only to serve the interests of the Government officials. Not only coal, but wheat, fertilizers and other items are also imported from abroad. I would like to submit that such proposals should not be introduced in this House in order to save the country from being enslaved. I strongly oppose it and conclude.

[English]

DR. KRUPASINDHU BHOI (Sambalpur):
Mr. Chairman, at the outset, I supports the Bill for which the consideration motion has been moved by the hon. Minister, Ajit Kumar Panja.

When the nationalisation of coal mines Bill was introduced by the hon. Minister, Shri Rangarajan Kumaramangalam in 1973, certain points were made. I have to remind those points and the points on the basis of which the nationalisation took place and what prompted the present Government to amend this particular Bill.

For that reason, our hon. Members from the Opposition, are naturally having some suspicion.

I have gone through in detail, the reply given by the hon. Minister—the former Minister—of Coal Mines in the Rajya Sabha and it is not a convincing reply.

I quote what Shri Kumaramangalam had said:

“Coal is really the crucial source of mineral wealth in our country. During the period of absolute laissez faire, profit was the primary consideration, safe methods were in the picture only here and there and national interests were completely forgotten.

This legislation is brought, in order that the ownership and control of such resources are vested in the State and thereby so distributed as best to subserve common good.”

Here, State means whether it is only the State

[Dr. Krupasindhu Bhoi]

Government or the Union also has to be clarified.

In the attached memorandum and the amendment, it is proposed—

"In the Coal Mines (Nationalisation) Act, 1973, in section 3, in sub-section (3), in clause (a), for item (iii), the following shall be substituted, namely:—

"(iii) a company engaged in —

(1) the production of iron and steel,"

So, at that time, before nationalisation where coal was produced it was used for the production of iron and steel, for generation of power. Washing of coal obtained from a mine was also done by the companies. That is a separate matter for coal washeries and we are producing high ash content non-cooking coal, coaking coal, metallurgical coal, and non metallurgical. Metallurgical coal is used in blast furnace type steel plants. Non-metallurgical coal is used for cement industry and other coal-based industries, and also for power generation.

So, the hon. Minister should come out clearly what the present position is. Now that the Coal India is producing 204 to 210 million tonnes what is the position? Out of that 75 per cent goes to the power sector. Other coaking coal and metallurgical coal is going to the steel sector and the rest of it is going to the others for ??? put to the other uses as per the Central Government notification. The other coal-based industries use low carbon content coal for temperature control, etc. The chemical industries also use it, as it is done in Kothagadda. Thus there are many types of coal used for many things.

What are the purposes left behind for public sector undertakings? First and foremost point in the minds of our people is that all these power plants which are run by the public sector/in our country are not getting the required quantity. What is the total quantum of coal that they are getting? After this particular amendment will all these steel plants get coal from the Coal India Limited or not? It has already come in the Press, that the Bharat Coaking Coal Limited and CCEL

are losing heavily and there was an apprehension in Calcutta and other places that the coal mines are losing heavily. Seven subsidiary companies have been formulated under the CIL and all of them are having their own economics. They are paying their own income-tax and other taxes. We do not know whether these subsidiary companies of ECL and ECCL are functioning properly and whether they are able to plough back the money which they are earning. Or, are they losing very heavily due to lack of so many things? The idea of the late Kumaramangalam has not been fully implemented in the scheme of nationalisation.

These are the defects which are there. Have these defects in the Coal India Limited been examined by a committee of experts? Has the Committee of experts examined why the Coal India has lost so many hundreds of thousands of rupees in the last two or three years?

The public sector undertakings can be dealt with very firmly on merits and merit should be the consideration by experts in the technical field because generally the best men and women go in for technical studies like engineering and medicine. Pandit Nehru had once said that technocrats can produce permanent assets for the country and the medicos can save the lives of human beings. So, has this Bill been brought by the hon. Minister after taking into consideration this fact?

The main objective of this Bill is that the budgetary support has gone down from hundred per cent to ninety per cent. The second point is that Rs. 1,800 crores is pending with the end-users. I would like to know what is the break up of this amount. Are the end-users, with whom this amount is pending, the public sector undertakings or the private sector undertakings? These are the points to be clarified.

The third point is about coal washeries. My friend Shri Acharia has explained about the coal washeries. Apart from these three points, some more points have also been asked by many friends and those have to be clarified.

The Members who are generally shouting on the floor of the House are from Bihar, West Bengal, Orissa and Madhya Pradesh. Six

hundred billion tonnes of mineable reserves of coal are in these three states, which are the poorest States of the country. Generally these end-users will be investing in their particular States. There was a clamour by the people of these States saying that they are producing coal, they are producing steel and everythings, but all the profits are ploughed back in the developed States. So, Bihar, Madhya Pradesh, Orissa and West Bengal will harvest the maximum benefit if the power plants have to be in the private sector. They will never invest in a power plant away from the mines. The washeries will also be installed in that particular area.

This Bill is definitely going to be passed. I would like to ask the hon. Minister whether after that he will take into cognisance the suspicion arising in the minds of our friends that like in Coal India Limited where there are some subsidies which are behaving like private sector and which are not doing mining through their own departmental workers but are exploiting the mines through contractors, if in these mines also the contractors come into the picture, then the wages of the workers will be definitely very low. Even if the ONS is very much high, the contractors are exploiting some opencast mines, which is dangerous. If that trend continues in the private sector also, that will be more dangerous and the people who are now living in the backward States, will not get the benefit.

Last but not the least, Mr. Chennithala has raised a very pertinent question. Though the Director-General of Mines Safety is there, he is not taking proper care of the underground mining which exists in our State. All the Coal India people who are working in the underground mines have the fear that they cannot get protection from the Director-General of Mines Safety. Mr. Kumaramangalam has envisaged that the objective for which the nationalisation had taken place, that is, to get rid of the illegal mining, has not been fully achieved. If the private people come into the picture, the same disaster may occur. So, these are the points which have to be taken into consideration.

I would like to ask the hon. Minister that why are we not adopting the type of underground minings which is prevailing mostly in Australia and in China. Why are we throwing open minimum

seventy to eighty per cent places for opencast minings, which will prove disastrous to our environment in future? Since we are not getting more resources for reinvestment, we are going in for opencast mining, and the Director General of Mines Safety is not taking care of these mines.

I shall request the hon. Minister to visit the opencast mining area some time, mostly the Mahandi Coalfield area. There is a Peripheral Development Fund and the Coal Controller have got very heavy amount of funds in their reserves.

Why should these not be decentralised where the companies are earning more profits so that they are ploughed back to the sick units? Otherwise there will be disaster in that area. It is prevailing in some areas of West Bengal. I urge upon the hon. Minister to look into it.

Lastly, I again urge upon all the Members of this House to support this Bill with wholeheartedness.

SHRI ANNA JOSHI (Pune): Mr. Chairman, sir, thank you for giving me an opportunity to express my views. The bill which has been presented in the House is not that much important but through it efforts are being done to present a grim situation in the country and every ministry is trying to project such an image that we need foreign experts to fly our planes, to generate power, for coal-minings. I would like to know whether our capacity was gone so much down, or our young generation has lost its vigour and has become inactive or the Government does not have faith in young generation or is it the condition that the people from whom we have lended money have become our masters and have asked us to open our doors for them and we have become their slaves.

Had the Government been liberal to our people then this Bill could be justified and would have posed a challenge for our young generation that if Government is unable to do it, we will do it. Had they also not been able to do it then we could have asked for foreign help. Instead, this Bill is depriving our people of their employment opportunities, discouraging them and enslaving our people. Due to such intentions of this Bill we want to oppose this Bill.

[Sh. Anna Joshi]

I would have been happy if such priority mentioned in this Bill would have been given to any Indian company, any indigenous company or to any individual. Had this priority been given to any individual or a company then our young generation could have taken it as a challenge. But instead, this Bill is again taking us to the path of slavery.

Mr. Chairman, Sir, history is testimony that the countries which had earlier taken a loan from I.M.F., had to face the conditions which are now being thrusting upon us but, none of them enjoys a good economic conditions at present. There planes, factories, Mills are being run by the I.M.F. people and these countries have become slaves. Therefore, this Bill is a danger signal. I as well as my colleagues, oppose such a Bill and request the hon. Minister to withdraw it.

[English]

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI AJIT PANJA): Sir, hon. Members have raised many points. On basic point raised by Shri Basudeb Acharia is that, according to him - he feels - that there is a conflict between the amendment that has been proposed and the Preamble. I first try to clear that doubt.

The object is clearly stated in the Act. Shri Basudeb Acharia has made a point that unless the Preamble is amended, the main sub-section 3 cannot be amended. I think Shri Basudeb Acharia has not gone through object of the Act.

The object makes it abundantly clear that with the growing requirements of the country, some such thing will be required so that the intent and purpose of the Act is given effect to.

I am fully conscious that this is the 20th year of nationalisation. I remember with reverence our dear departed leader, Shrimati Indira Gandhi, who was the main person behind this statute and also for giving succour to the lakhs of suffering mines.

In 1973, it is her leadership which brought this Act and that is why, at that time the great vision

of her was enshrined in the Preamble. I quote:

"An act to provide for the acquisition and transfer of the right and interest of the owners in respect of coal mines specified in the schedule with a view to reorganise and reconstructing such coal mines so as to ensure rational, coordinated and resources consistent with the growing requirements of the country, in order that the ownership and control of such resources are vested in the state and thereby so distributed as best to subserve the common good and for matters connected therewith or incidental there to.

Growing requirements of the country is the pith and substance on which the Preamble was formed. As it is vested in the State, the preamble has to be amended, but it is not so. Even though such resources are vested in the State, section (3) makes a provision for certain contingencies that might arise in future.

Now, the right and interest of the owner in relation to the coal mines specified in the schedule shall stand transferred to and shall vest absolutely in the central Government free from all encumbrances. Then, the Act says:

"No person other than the Central Government or a Government company or a corporation owned, managed and controlled by the Central Government,

2) a person to whom a sub-lease as referred to in the proviso (c) has been granted by such a Government company or corporation and

3) a company engaged in the production of iron and steel."

Therefore, although the Preamble and section (3) vested 'such reasons' in the State, that is, the Central Government, to commensurate with the developing scenario of a developing country like India, it was thought by the framers of the Constitution to make a provision for two purposes. It is well known that Tata Iron and Steel Company, a private enterprise, had already been given and they are carrying on mining. Therefore, it is not that there is a total prohibition as such from giving anything out to a private competitor. Even

on the 1st of May, 1973, when the framers had framed this statute including Indiraji, they had this great vision about the growing development of the country.

Now, 20 years have passed and, it transpired to the present Government that acute power shortage is there in our country, the demand for power is increasing. Then, there are complaints that proper quality of coal is not being supplied; secondly there is another complaint about the infrastructural difficulties and the coal has to be transported from a long distance. Now, to take the country ahead and to commensurate with the Preamble, in 1993, 20 years after the original statute, a stage has come to go a step forward.

It is not only in iron and steel but also some of the important sectors because like power or energy the hon. Members know that 70 percent of the energy of this country comes from coal which means energy. In that view of the matter, it has become necessary to amend sub-section (3), sub-clause (3). The proposed amendments are;

"A company engaged in production of iron and steel, which is already there, has been again put in section 3(1). Generation of power, washing of coal obtained from mine or such other end-use as the Central government may by notification specify."

Hence there is no substance in the first point made as aforesaid. The point was made by Shri Basudeb Acharya and many other hon. Members, "Why don't you do something about washery?" This is another sector where we are waiting for a report from the committee whether washeries which were with the SAIL, will be given back to them. A study is being made. If the report recommends and if the Government decides, it is necessary to send it back to SAIL we shall decide accordingly. But that will not serve all our purpose.

Now there is growing need for energy as I said, it is in accordance with the preamble. It transpires so far as the power sector is concerned, the need in the eighth plan is 30,538 mega watt. It is the

projection. the Eighth Plan envisages additional power generation to the tune of 30538 mega watt out of which as much as 20,156 mega watt is to be generated from the thermal sector, i.e. coal and lignite, CIL and also Lignite Corporation. For generating 20156 mega watt of additional power, the demand for coal by the end of the Eighth Five Year Plan will be 311 million tonnes. The production which is projected will be about 298 million tonnes. Therefore, naturally the gap is 13 million tonnes of coal. How do we meet the gap? In accordance with the preamble, we have to take the growing requirements of the country. Now there is a gap of 13 million tonnes. In that event, either I need more money for the purpose of producing 13 million tonnes more and we need to adopt scientific mining. It is not only requirement of money but also gestation period required to mine good quality coal. There is growing need for power in a developing country. The plan allocation during the Eighth Plan period is going to be Rs. 11320 crores as against the projected demand of Rs.19,374 crores. Therefore, resource gap will be of the order of Rs.8000 crores. Therefore, 13 million tonnes is the gap so far as the coal production is concerned. Resource gap is Rs,8000 crores. So, the gap on the both sides cannot take the country forward. We have to find a way out. Even on the 1st of May, 1973, it was in the vision and wisdom of both the Houses of Parliament which passed the Act that there might be a situation where not only iron and steel, not only peripheral area but some core sectors might need private people to come in for the purpose of making new investment, if there is a resource crunch. Between this devil and deep sea—13 million tonnes gap of coal requirement and Rs.8000 crores gap of resources — what the Government is going to do? The present Government has a pragmatic view under the leadership of our hon. Prime Minister and it has decided consciously after collecting materials from all the Departments concerned.

That Act will be amended as proposed. It is necessary to have budgetary support from the Government of India, to even out Rs. 11,320 crores. How am I to do it? I ask for money. I am told "No. You are a Company running for 20 years now. You cannot go on saying that you are

[Sh. Ajit Panja]

in infancy and need protection. No budgetary support is possible. Therefore, you go on your own." What is the position? Budgetary support of 90 per cent till 1985, has come down this year to 19 per cent. Kindly consider this position. If the budgetary support goes down from 90 per cent to 19 per cent, the resource gap is Rs. 8,000 cores and, at the end, the gap in production would be 13 million metric tonnes. We have to find out resources. From where? There are people who want to come and invest. We are to safeguard and we want to produce power. You take the apprehension out of the minds of the Members who have opposed. The opposition is there that if it is given, then what will happen to the quality of the coal.

Secondly, if it is given, what protection have you got to see that the mining operation under private ownership goes on well and they do not go on exploiting the workers or the natural resources as they did prior to nationalisation?

Thirdly, what would happen to the workers?

I can assure this House that all these points that the Government has consciously considered.

SHRI SRIBALLAV PANIGRAHI: On land also.

SHRI AJIT PANJA: I will come to that point. Safeguards have to be given all.

Prior to nationalisation at random, licences are given and anybody went on exploitation. No checks took place. They paid or not paid the royalty. Ten positive steps are being taken and envisaged for the purpose of safeguards, before giving any right of mining to the private people who want to set up power generation units. First private parties will not be allowed to use coal for some other purpose or to market it or sell it to others. The refore, purpose is power generation or washeries or any other purpose that may be decided by Government.

Secondly, that there is necessity to supply beneficiated good quality coal and since we do not have money for that, we propose to allow private investment for setting up washeries is prescribed.

Thirdly, if raw coal is washed and transported, the pressure on railways will also come down.

Forthly, there is no question of existing power plants having to depend on private mines. Some of the hon. Members raised some doubts about it. Already, existing power plants have their own sector for the purpose of the required quantity of coal. There is no question of existing power plant or State enterprise power plant depending on private mine.

If Shri Basudeb Acharia wants to put up a power house, he can come. According to the report of Geological Survey, he can choose a mine, as a captive mine. He shall have to use that coal of his own mining, for the purpose of generation of power and nothing else. This is one safeguard. But what will happen to that mine and what natural resources shall be used. The steps are as follows:-

1. Suitable blocks will be identified by CMPDIL taking into account.

(Interruption)

[Translation]

SHRI VIRENDRA SINGH: The hon. Minister has just now said that coal will be supplied in required quantity from power generation but is there any guarantee that the increased production will not attract blackmarketing.

[English]

SHRI AJIT PANJA: Sir, I have no personal knowledge about blackmarketing and corruption. If the hon. Member has any information, he can send me the list. I will certainly look into it.

[Translation]

SHRI VIRENDRA SINGH: Sir, I am sure that the coal supplied from Coal India is used for generation of electricity but a part of it is also sold in blackmarketing.

MR. CHAIRMAN: He has given an assurance in this regard that if such a case is brought to his notice, he will certainly take action.

[English]

SHRI AJIT PANJA: The fifth point of safeguard is that suitable blocks will be identified by CMPID taking into account the factors like the status of exploration, economic feasibility of mining as mentioned by Smt. Rita Verma. The blocks identified for the purpose would normally be fully explored. This will ensure scientific development of the mining activity.

The sixth safeguard is that under the Mineral Concessions Rules framed under the Mines and Minerals (Regulation and Development) Act, a mining plan has to be approved by the Statutory Committee on Mining in the Ministry of Coal as pointed out by Shri Sriballav Panigrahi. Only after the approval of the mining plan, the operator will approach for a lease or sub-lease.

The Seventh safeguard is that the Mines and Minerals (Regulation and Development) Act, 1957 provides that no person shall undertake mining or prospecting operation except in accordance with the terms and conditions of the prospecting licence and mining lease granted under the Act.

The eighth safeguard is that the conservation aspect of Coal mining will be taken care of at the stage of examination of the mining plan and also by judicious exercise of the powers conferred on the Coal Controller under the Coal Mines (Conservation and Development) Act and rules made thereunder.

One of the hon. Members made a point on this by asking what will happen to the ecology.

The ninth safeguard is that the forestry clearance is a must. It has to be obtained by the operator under the Forest Conservation Act, 1980.

The tenth safeguard is that the environmental clearance, detailed environmental management plan shall have to be prepared by the competent agency and got approved by the Ministry of Environment and Forests before starting the mining operations.

The last but not the least is that the Director General of Mines safety is and will be fully empowered to ensure that the mining operations are carried on in the safe manner even in respect of that captive mine which will be handed over to the operator, by that for the purpose of generation of power. Therefore, the apprehension raised by the hon. Members, I am sure, will not have any bearing even so far as handing over of the captive power mines for power generation is concerned.

Some of the short points made by Members are regarding water supply, shortage of water supply, schools, colleges, roads, buildings etc. We have to give a fresh look to them as suggested by the hon. Members. For a long time, the statutes here in the Parliament as well as in the states where coal is produced gave ample thought to it. Cess is obtained by some of the States. Some of the States are obtaining royalty. The West Bengal Government is obtaining Cess and royalty both. The Bihar Government is obtaining royalty. The Orissa Government is obtaining royalty. The Madhya Pradesh Government is obtaining royalty... (*Interruptions*). The whole pith and substance of this Act of 1973 is very clear. I would cite the example of West Bengal. The 1973 Act came into being with a specific object of having the Primary Education Cess Act, 1973. The object is, as mentioned by Shri Sriballav Panigrahi, that the land users must be protected. You are taking away the land. The area is only taken over by the Central Government. The State Government and the people are there. Mostly, these are the tribal areas and rural areas. A question has been asked: Are you looking after the Social objective?

[Sh. Ajit Panja]

Are you taking care of primary education of the children there? In order to take care of that, the Cess Act was made in 1973. In 1976 again it was thought over by the West Bengal Government and another Act was passed by the legislature. It is called the rural Employment and production Act. Under these two Acts, the State of West Bengal has been getting cess approximately Rs. 320 crores annually and per month about Rs. 27 crores.

Subject to correction, I have not yet been able to obtain any account. When these two Acts specifically say that spend this money under Section 6, for primary education in the coal bearing areas of Puruliya, Bihrbhoom etc. spend for rural employment that is giving employment to those who are losing job and for development, that is, road and water supply, up till now, I have not yet got the reply from the West Bengal Government. *(Interruptions)*

SHRI BASUDEB ACHARIA: I would like to know from the Minister whether he will enlighten us whether the entire amount of cess payable to the Government of West Bengal has been paid to the State Government.

SHRI AJIT PANJA: Yes, Sir, it has been paid. Still the price of sale of coal is remaining due. A huge amount is still remaining due. I am not going into that dispute. But it has to be paid because it is a cess amount. What the West Bengal Government has said is, "you are selling coal worth Rs. 28 crore per month to West Bengal power houses and our cess dues is Rs. 27 crores. Therefore, one crore is only due to you and we will pay that accordingly. You adjust it. "I said," very well. It is an adjustment of account taking place. "If the West Bengal Government now feels that 1973 Act and 1976 Act is not proper, they can get rid of the statute. They are empowered. But so long the statute remains it is the bounden duty because it has become a public trust under Section 6 and Section 6 also provides that this amount will be kept under the a committee in which district magistrate, local MPs and MLAs should be members. Like

Orissa, the Mahandi Talcher area, there is a new company coming up and it is going on very well. We are really feeling proud that in the year, the 20th year of nationalisation, our workers have done a wonderful job. I must congratulate, through you, and through the Members the miners of the Coal the target was 210 million metric tonnes last year and they have attained 211 million metric tonnes. When the job was given to me I found there was a shortfall of 3.2 percent in the production. I called all the union leaders, called the hon. Members who are coming from the coal field areas, hon. Members from Lok Sabha and also from Rajya Sabha, called the joint Consultative Committee Members. I am grateful to all of them as all of them co-operated. That is why, within three months' time, not only the target is achieved, shortfall recovered but one million metric tonne more was produced by our workers. Therefore, they must be congratulated. Hon. Members will please go into it in detail. All I insist on is that the law is passed by the West Bengal Government the responsibility to use the cess amount for the purpose of primary education is being diluted and spent elsewhere, the responsibility for creating employment and also for water supply and development is of the state as well as, So for as Bihar is concerned the Royalty is Rs. 38,5 crores per month.

SHRI RUPCHAND PAL (Hoogly): Would the Minister inform this House whether it is not a fact that in West Bengal itself a maximum amount of the Budget is being spent for primary education? And West Bengal is one State which has been given the award for making women's education at the primary level as number one in India and the money is being spent there.

If the money spent was finally referred to, it is quite comparable and it is more than what was spent in many other Congress-I ruled States. Let me quote the figures.

SHRI SRIBALLAV PANIGRAHI: He has derailed the subject.

Out of this amount collected from cess and royalties, the State Governments are not

spending them in their respective coal bearing areas. So, what the Government of India is thinking to do in this matter?

SHRI RUPCHAND PAL: Sir, let me quote the figures as to how much amount has been spent. *(Interruptions)*

MR. CHAIRMAN: Please sit down.

SHRI BASUDEB ACHARIA : Sir, he is misleading the House. Have you got any account? How much has been spent in the coal bearing districts?

MR. CHAIRMAN: Shri Acharia, please sit down. Order please.

SHRI AJIT PANJA: Sir, the hon. Member should realise that the point which I am making is about the West Benagal State.

I do not want to hurt them but, sometimes, truth hurts them. I did not want to hurt them. The point is this I stand here on my ground and I say that I have not mislead the House, as Shri Acharia is commenting. And I am taking full responsibility of it. I am saying that the responsibility has not been discharged not only by this responsibility has not been discharge not only by this present Government-whichever may be the earlier Government. The Act was passed in 1978, when Shri Siddharth Shankar Ray was there. The Congress Government was there. The Act was passed in 1976 and I was a party to that Act. I was there in 1976. The point is that whichever Government was there, they have not spent the amount for the welfare of the coal bearing workers and for that we should not only go on blaming but find a solution.

SHRI BASUDEB ACHARIA: How can you say that this has not been spent in the coal bearing areas?

SHRI AJIT PANJA : I say so, because under Section 6 of the Act, a Statutory Fund has, to be created under the superintendence of the District Magistrate of the district concerned, where the entire money collected from cess must be transferred. He shall hold it and in which fund,

the State Government also must contribute and that fund will be disbursed in the coal bearing areas from where coal is being collected, Shri Acharia, being a senior man, may please look into it. You yourself are coming from a coal bearing area. The day before Yesterday, I was there in his own constituency and inaugurated a new under-ground coal mine. I have seen dry hairs of the little girls with pathetic eyes sitting there with empty bodies. The money has not been spent there Shri Acharia. Please look into it. I can tell Shri Acharia, taking responsibility and standing here, that an amount of Rs. 84 lakh on account of cess, per month, is being collected from Purlia but that does not go back to Puralia. You may please examine it. It is not a question of your putting it in common budget and then go on spending it all over Bengal. That is not the purpose. If you feel that this Act is not necessary, go on amending it, and put it in a common pool. But, so long as the Act and Section 6 of the Act is standing and looking at you, glaring at you, which is meant for a good purpose and you are collecting the cess on the basis of that Act, you cannot say that you are not responsible to carry out the disbursement of the cess collected in terms of Act. Why am I making this point? All these things are necessarily to be done. The bridges talked about by one of the hon. Members is that it is necessary for connecting that area. The vast area from where coal is coming is an area where most of the people are very poor, who are within that gap of most unfortunate area of our economy, that is, below the poverty level. These are the areas from where coal is coming. The hon. Members may kindly appreciate this. It is stated that 25-30 per cent of the people are below the poverty level and you please see that cess goes there and is utilised there.

DR. KRUPASINDHU BHOI: In 1971 people have gone to the Supreme Court against mining cess levied under Mines and Minerals Regulation Act. This is according to the Minister's own view that it is vested with the State, that is the Central Government. How a State Government can impose a cess on the mineral which is national wealth? On that basis in 1971 all the mining cess was declared null and void by the Supreme Court. Nobody could impose it. The State

[Dr. Krupasindhu Bhoi]

Government has got no right. Then how does the State Government of West Bengal enjoy such a facility which no other State Government is enjoying? Recently in Mahanadi Coal Field area the State Government of Orissa has imposed another ground rent which is illegal according to me; the Minister may substantiate it. They have imposed Rs. 120 crore of ground rent at the rate of Rs. 35,000 per acre.

SHRI AJIT PANJA: The point is very genuine. The Cess Act was struck down by the Supreme Court ruling. But West Bengal got a stay on the ground that this is being utilised for this purpose. That was the distinction made by the West Bengal Government. That is why I am insisting on it. They got a stay that here is an Act which is different from the Cess Acts of other States. The Supreme Court upheld that temporarily (*Interruptions*).... I am not sitting on judgment of the Supreme Court orders. The Supreme Court granted a stay in so far as West Bengal is concerned.

SHRI SRIKANTA JENA (Cuttack): We come from Orissa. Orissa, Bihar and parts of Madhya Pradesh are producing the maximum coal, to the extent of more than 90 per cent and give it to all over the country. It is all right that the cess which has been imposed by the West Bengal Government has not been struck down by the Supreme Court and that is why they are enjoying that. The plea taken by the West Bengal Government can well be taken by other State Governments also. But the Government of India said, do not go in that route, we will certainly enhance the royalty and the royalty has not been enhanced. Somehow it has been going on for the last six months with both the Chief Ministers of Bihar and Orissa. They are knocking the doors everyday of the Coal Minister saying, please enhance this or else there will be a problem. The Government of India is encouraging a dual treatment to different States. The royalty enhancement is not being done and the State Governments are really suffering because of the finance crunch. May I know from the hon. Minister as to when he is going to enhance the

royalty as demanded by both the State Governments?

SHRI AJIT PANJA: Most certainly. The point first raised was with regard to the interim order of the Supreme Court. There is a hearing coming in July for the purpose of final decision in the matter.

So far as the point raised by the hon. Member from Orissa is concerned, it is true that the hon. Chief Minister of Orissa had a discussion with me. There are certain grades of coal in which Orissa is getting less royalty. Our preliminary examination says it is less. But the point is, what is happening now, is that this is being raised under the Act, that is MM (R & D) Act passed by this House. We can fix royalty once in every three years. The last royalty fixation was on 1st August 1991. We are waiting for the completion of three years. We are not sitting idle, in the mean time we are making a full study. I explained it to the hon. Chief Minister also. Nobody has asked for changing of the provision of the Act at this stage. But at that time this Parliament thought that every year royalty changing will not be proper.

SHRI SRIKANT JENA: You admit that a wrong has been committed. You are not going to correct it because of the provision of the Act. Why don't you change the provision of the Act?

SHRI AJIT PANJA: I am not saying that a wrong has been committed and I am admitting it. Please do not put words into my mouth. I am saying that for low grade of coal they are asking for more royalty. We said that this can only be considered after expiry of three years in view of MM (RD) Act.

There are some other important points raised I must address them also. So far North-East is concerned, at very important point has been made that as "Assam and North-Eastern region are producing very high quality coal-we have very high quality coal in Nagaland, Assam and other places-a separate company should be formed. At present, we found that the production of very high grade coal of low ash content is

million tonne. Our standard is that until it reaches at least a production of 20 million tonnes, we do not open up a new subsidiary. Otherwise, it would not be viable. To make a new subsidiary, infrastructural overhead cost becomes such that the cost-benefit ratio will not be viable. But we are not sitting idle because North-East is producing good coal. This will help in various ways-transportation, power generation for North-East. Therefore, we have made a region with a director permanently stationed there. He has got enhanced power of delegation. We are studying the impact of the enhanced power of delegation.

If it is fruitful and goes on well, then, in future if the production is more, good quality coal will be used more by Mr. Sontosh Mohan Dev in steel industry and less import of coal might take place in view of Assam coal. Then, in future, it might be considered whether a separate company could be formed as we have done for Mahanadi in Orissa-Talcher Belt giving good quantity coal. Therefore, last year, a separate company has been formed there.

Regarding subsidence of the Raniganj and other areas, if I find that in 1950, there are 45 areas in the district of Burdwan which were declared unsafe because of unscientific mining taking place there at random. Various steps have been taken. But it appears that there is no proven technology. There is no grouping kept by the previous owners as to in what manner they have made mining at random and underground. Most of them are under water. Therefore, a new type of technology has been found out by CIL R&D Division called hydro-pneumatic strain. They are trying it there in order to safeguard and also safeguard the Raniganj areas.

Secondly, an apex monitoring committee has been formed to locate the areas and to identify the unsafe mines.

MR. CHAIRMAN: How much time would you take?

SHRI AJIT PANJA: Maximum two or three minutes.

MR. CHAIRMAN: Shall we extend the time of the House till the Bill is passed?

HON. MEMBERS: Yes, Yes.

MR. CHAIRMAN: The time of the House is extended till the Bill is passed.

SHRI AJIT PANJA: We have also set apart Rs. 5 crore. I have had a discussion with the Chief Minister Bengal so that immediately their local problem is solved as to which authority will carry on with the Raniganj coal-field area. Preparatory things have been done. We have set apart Rs. 5 crore in order to safeguard as much subsidence as possible. We are expecting that it will be done as quickly as possible.

Under these circumstances, I only request the hon. Members to withdraw their objections and to allow these amendments. Under the circumstances, it is necessary in accordance with the preamble. With the growing need of the country, it is necessary to give a competition also through the CIL to show comparatively how both are working. That is the modern view all over the world and India should not lag behind.

SHRI SRIBALLAV PANIGRAHI: I had raised a point.

MR. CHAIRMAN: There is no procedure after the reply of the Minister. (Interruptions).

SHRI SRIBALLAV PANIGRAHI: When the private industrialists and the Government will operate the coal-mines, etc., what would happen about the compensation?

(Interruptions)

[Translation]

SHRI SRIBALLAV PANIGRAHI: How will it be taken care of? Let there be an assurance from the hon. Minister.

MR. CHAIRMAN: Please sit down, Mr. Panigrahi.

The question is:

"That the Bill further to amend the Coal Mines (Nationalisation) Act, 1973, as passed by Rajya Sabha, be taken into consideration."

The motion was adopted.

MR. CHAIRMAN: The House will now take up clause-by-clause consideration of the Bill.

18.00 Hrs.

There is no amendment to Clause 2 of the Bill. So, I am putting Clause 2 to vote.

The question is:

"Clause 2 stand part of the Bill"

*The motion was adopted
Clause 2 was added to the Bill
Clause 1*

Amendment made:

"page 1, line 4,-
for"1992 substitute-"1993
(Shri Ajit Panja)

MR. CHAIRMAN: The question is:

"Clause 1, as amended, stand part of the Bill."

*The motion was adopted
Clause 1, as amended, was added to the Bill
Enacting Formula*

Amendment made:

" Page 1, Line 1,-
for "Forty-third" substitute-
"Forty-fourth"
(Shri Ajit Kumar Panja)

MR. CHAIRMAN: The question is:

"The Enacting Formula, as amended and the long title stand part of the Bill"

The motion was adopted.

The Enacting Formula, as amended and the long title were added to the Bill.

SHRI AJIT KUMAR PANJA: I beg to move:

"That the Bill, as amended, be passed."

MR. CHAIRMAN: The question is:

"That the Bill, as amended, be passed."

(Interruptions)

SHRI BASUDEB ACHARIA: We are opposing it, Sir, *(Interruptions)*

SHRI SRIKANTA JENA: Sir, this is a plan to hand over the entire coal mines to private people. It is a deliberate attempt not to give the due share to States like Orissa, Bihar and other States. So, in protest, we are walking out, Sir. *(Interruptions)*

18.03 Hrs.

(At this stage, Shri Srikanta Jena and some other hon. Members left the House.)

MR. CHAIRMAN: I am again putting the Bill to the vote of the House.

The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

MR. CHAIRMAN: The House stands adjourned to meet again tomorrow at 11 AM.

18.04 Hrs.

The Lok Sabha the adjourned till Eleven of the Clock on Tuesday, April 20, 1993/Chaitra 30, 1915 (Saka).