

these articles, because a large stock is piled up in the customs godowns. Will the Minister consider this suggestion ?

SHRI JANARDHANA POOJARY : The Hon. Member was pleased to give valuable suggestions. These are noted and we will consider them.

[*Trauslation*]

SHRI MADAN PANDEY : Do the staff of the Airlines also indulge in smuggling activities and if so, what appropriate steps have been taken to curb such activities of theirs and whether are the steps taken are stringent enough to check them from indulging in smuggling ?

[*Engllsh*]

SHRI JANARDHANA POOJARY : When they were involved, we have taken action and what action we have, I have already placed before the House.

SHRIMATI PHULRENU GUHA : May I know Sir, what type of goods are smuggled mostly and from which countries ?

SHRI JANARDHANA POOJARY : Gold, watches, synthetic fabrics, etc. are the articles that are smuggled mostly. As regards the countries from which these goods are smuggled, I have already answered.

SHRIMATI PHULRENU GUHA : Mostly from which countries are they smuggled ?

MR. DEPUTY-SPEAKER : He has already informed that it comes mostly from the Gulf countries.

Nationalisation of Coal Industry

***244. SHRI MOOL CHAND DAGA :** Will the Minister of STEEL, MINES AND COAL be pleased to state :

(a) the data on which the coal in-

dustry was first nationalised;

(b) the date when the last coal company was nationalised;

(c) whether some of the mines have been abandoned and operations stopped there on the groups of organisational and operational difficulties;

(d) if so, the details thereof;

(e) whether the above coal mines are now being given to private sector for operating; and

(f) if so, the reasons therefor ?

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

(a) and (b). The coal mines were nationalised in two stages. First, under the Coking Boal Mines (Nationalisation) Act, 1972, the coking coal mines which were know to exist, were nationalised with effect from 1.5.1972. Then, under the Coal Mines (Nationalisation) Act, 1973, all other mines known to exist were nationalised with effect from 1.5.1973.

(c) and (d) : The operation of Shanker-pur pit of Eastern Coalfields Ltd. had to be stopped for operational difficulties on account of occurrence of an underground fire. The operations of Semra, Gidhania, Rauta and Mael collieries in Central Coalfields Ltd. were discontinued due to uneconomic working of these mines.

(e) No, Sir.

(f) Does not arise.

[*Translatlon*]

SHRI MOOL CHAND DAGA : Mr. Deputy - Speaker, Sir, they are bold enough to reply 'No, Sir'. So many news items have been appearing in the

press. I would like to draw the attention of the Hon. Minister to the item which appeared in the *Economic Times* of 4th January, 1984 :

[English]

"The State administration of Bihar has become significant in this context under a scheme of Bihar State Mineral Development Corporation. A State Government under a king would be enlisting the services of private parties in running some of the abandoned mines and which mines Coal India had stopped operating on grounds of operational difficulties."

[Translation]

You are saying that illegal mining has been going on openly in Bengal, Bihar, Assam and in other States. Are Government aware of such activities and has any action been taken in that regard, and if so, when was the action taken and what was the result ?

[English]

SHRI VASANT SATHE : As far as Bihar is concerned, in February 1985, the State of Bihar intimated their intention to work four coal mines, viz. Jageshwar, Khas Jageshwar (in the districts of Hazaribagh and Giridih), Pure Murlidih and selected Pipratand (in the district of Dhanbad) by Bihar State Mineral Development Corporation as a holding company, through a subsidiary, with Bihar State Mineral Development Corporation holding 51% of the share capital, and private enterprise the balance 49% as, according to them, the Supreme Court had permitted them to work these four coal mines, and that no reference to the Government of India was necessary in the light of the orders of the Supreme Court for their working through Government company.

The State Government of Bihar have been informed by the Central Government that no prospecting licence on

mining lease for coal mining can be granted, except with the prior approval of the Central Government under Section 5 (2) of the Mines and Minerals (Regulation and Development) Act, 1957. They have also been told to advise the Bihar State Mineral Development Corporation not to start coal mining operation without complying with the provisions of the law.

There is no question of any private party doing coal mining, after the nationalization, either directly or in a *benami* way through a State agency, by being a subsidiary because this will defeat the very purpose of nationalization. We have conveyed this. This is also, according to us, the legal position; and, therefore, we have communicated our decision to the Bihar State Government. (Interruption) As I have said, if a private party does this, it will be a case of illegal mining. It has not come to our notice that in any State, any individuals are doing mining. If it is brought to our notice, we will take action, and we will intimate it. Ultimately, we can only persuade the State Government because it is the State Governments, under law, which have to prevent any illegal mining.

As far as the State Corporation is concerned, if it is like in Bengal or Assam where we have allowed it, i.e. if the State itself wants to run a mine which we cannot run, or do not find it feasible to run in such cases, we are all out to help, but only for State Corporation direct.

[Translation]

SHRI MOOL CHAND DAGA : You have replied to my question correctly, but would you clarify when you intimated the Bihar Government about it, on what date had you written to them and is illegal mining still continuing or has it stopped ?

SHRI VASANT SATHE : They have been intimated recently, i.e., during the year 1984, but we have no information

whether the Bihar Government are encouraging illegal mining there.

[English]

SHRI ANAND GAJAPATHI RAJU : A lot of money has been invested in the coal industry. What are the steps being taken to rationalise coal industry; if so, is there going to be a White Paper on that? This coal industry production has stagnated over the number of years. There is no worth while increase in production. Will some attention be given in that direction?

SHRI VASANT SATHE : It is not true that the production in coal industry is stagnating. In fact, it is growing. We have now reached a target of nearly 147 million tonnes. Coal is not being shifted. We are having 27 million tonnes of coal lying at the pit-heads because of the transportation difficulty that we are trying to sort out. As far as production is concerned, there is no dearth; and we have a plan to produce enough coal in the country. We are rationalising both technically and technologically and also managerially. Therefore, I think, as far as coal mining is concerned, we can say that we are trying to do our best in the country. As far as White Paper is concerned, after all, coal is black. What is the need of a White Paper?

[Translation]

SHRIMATI PRABHAWATI GUPTA : I would like to know from the Hon. Minister whether, as he said just now, before granting lease to any private party.....(Interruptions)

[English]

MR. DEPUTY-SPEAKER : The Hon. Lady Member is already on her legs. Please sit down.

SHRI ANAND GAJAPATHI RAJU : He should not take it so lightly.

SHRI VASANT SATHE : I have not taken it lightly at all.

[Translation]

SHRIMATI PRABHAWATI GUPTA : I would like to know whether the Mining Department of the Bihar Government do not have even this much of technical knowledge. Secondly, you have not given prior permission and in spite of this a settlement has been reached. In view of this, do the Central Government intend to cancel it?

SHRI VASANT SATHE : No settlement has been reached as yet.

SHRIMATI PRABHAWATI GUPTA : But you have said that your prior permission should have been obtained and that the coal mining has been started without your permission. Does it not show how irresponsible the manner of the functioning of the Bihar Government is?

SHRI VASANT SATHE : Here the question is not of technical knowledge but of misunderstanding. There has been delay in interpreting the verdict of the Supreme Court, and according to that as also according to the law, the State Government can start coal mining at a place where we give permission, but the State Government should get the work done through its corporation and not through any private party, or the joint sector or through any other method. We have brought this to the notice of the State Government. (Interruptions)

[English]

PROF. K K. TEWARY : They have already done it. There is a settlement between them and the private party.

[Translation]

SHRI VASANT SATHE : I have already said that the State Government cannot entrust this work to any private party and, so far as we know, they have not started this work through any private party. However, we have written to the Chief Minister.

(Interruption)

SHRIMATI PRABHAWATI GUPTA : If this thing has take place, will it be got cancelled ?

SHRI VASANT SATHE : If any illegality is found, the work will be stopped.

[English]

SHRI INDRAJIT GUPTA : In spite of what the Hon. Minister has said, that no Corse of illegal mining are within his knowledge, I have to remind him, I think the records will show that on more than one occasion I think in the previous Lok Sabha also it was admitted on the floor of the House that in the Hazaribagh and Giridih areas of Bihar where there is a great deal of coal deposit lying very near the surface—may not be of very high quality coal, but it is lying very near the surface—a sort of open cast mines are there, which have not been worked out by the public sector. And in these places private companies are employing contracted labour and removing large quantities of this coal in their own lorries and transport. It was stated here that steps will be taken to stop that. I would like to know the position regarding that.

SHRI VASANT SATHE : I think it is the same area, the Hon. Member has made a mention. We are apprehensive, I must say this.

SHRI INDRAJIT GUPTA : You spoke about Dhanbad, I think.

SHRI VASANT SATHE : It is the same area, Hazaribagh, Giridih and Jogeswar Khas, that is that area in the North. We are apprehensive that some private people who have been indulging in this probably now via this subterfuge, join a joint sector group with the Bihar State Mineral Development Corporation, with having 49 percent shares, etc. want to go in for this mining which according to us, will be totally illegal. We have

informed the Bihar Government, I have written to the Chief Minister to look into this, and I am confident that we will be able to persuade the Bihar Government not to allow illegal mining.

SHRI JAGANNATH RAO : After the nationalisation the cost of production of coal has gone up hundredfold, with the result that the price of coal is going up, and as a result of that the steel prices are also going up. What steps would the Government take to see that the prices of coal, the cost of production comes down so that the saleable price will be at a reasonable level ?

SHRI VASANT SATHE : The cost of production of coal, like any other mineral, also depends on other inputs. Now, if inputs like power, oil, diesel, labour, wages, etc., all keep on going up, then you cannot expect only coal to come down and that as a result there will be increase in steel, in everything, all round. I am not saying 'No'. I agree with the hon. Member that if we have a better production, better movement, it is likely to have an impact on prices, but that is a big 'if'.

SHRI AMAL DATTA : We found in the Budget Speech of the Hon. Finance Minister that the installed capacity of coal is 210 million metric tonnes per year; and just now the Hon. Minister stated that we are going to produce 140 million tonnes and this is an increase according to him. But what prevents us from attaining the installed capacity, in production ? And then if that is done, which is possible that with the present manpower, would not the price of coal come down ?

SHRI VASANT SATHE : I do not think that the price of coal necessarily will come down with increased production. As I have just now mentioned, we have at our pitheads 27 million tonnes of coal lying, some of which is getting burnt, prices being what it is. Because the main consumers ultimately are again the big public sector units like the power plants, the steel plants and others.

Therefore, it is not that the price will have an impact merely by production.—overall—unless the whole movement, availability of coal is improved. I think it will not directly have an impact on that. I can increase coal production, but if I increase coal production what will I do with it ?

MR. DEPUTY - SPEAKER : Shri Mohanlal Patel. Absent.

Shri Ajoy Biswas

Writing Off Loans Taken From Bank By Small And Marginal Farmers

*246. SHRI AJOY BISWAS : Will the Minister of FINANCE be pleased to state :

(a) whether the Union Government have any proposal to write off the loans taken by the small and marginal farmers from the different nationalised banks which are overdue for many years ;

(b) if so, the details thereof; and

(c) if not, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY) : (a) to (c). A Statement is laid on the Table of the House.

Statement

(a) No, Sir.

(b) Does not arise.

(c) Within the framework of RBI guidelines the nationalised banks raise deposits and lend a portion thereof to borrowers. The rate of interest for advances, which differ from category to category, is also decided by the Reserve Bank of India. The advances to small and marginal farmers are given at a comparatively lower rate of interest.

It is not possible for the public sector bank to write off loans on a large scale which are given out of the funds raised

from the depositors.* If this were to happen, it will be difficult to raise deposits and provide further credit to farmers and others.

SHRI AJOY BISWAS : The Government in their reply have stated that it is not possible for the public sector banks to write off loans taken by the small and marginal farmers. But the Government have written off arrears of income tax amounting Rs. 30 crores. 77 percent of the total number of operational holdings are held by the marginal and small farmers. Because of their low holdings, sometimes they are not able to pay loan instalments. Thus interest goes on accumulating on that loan. In such cases, the banks do not allow further loan to these farmers. So, there should be a distinction between wilful defaulters and non-wilful defaulters. Will the Government consider that the small and marginal farmers are relieved from the payment of interest and the amount may be shared in equal proportion by the Government of India, the State Government, RBI, IDBI and the concerned bank as was done in 1979 for the drought affected areas in UP ?

SHRI JANARDHANA POOJARY : The money that is deposited in the banks, belongs to the people of this country. The loan is given to the small, marginal and other farmers for productive purposes. So far as small and marginal farmers are concerned, we have been giving subsidy to them. There is an Integrated Rural Development Programme for that. For marginal farmers the subsidy element is to the tune of 33.1/3 percent, for small farmers it is 25 percent and the tribal farmers it is 50 percent. The money with the bank has to rotate. Unless small and marginal farmers pay back that amount, it cannot be rotated and given to other persons including weaker sections of society. If due to specific reasons like calamity, flood, drought, etc. it is not within the capacity of these farmers to pay back the loan, in such cases we are re-scheduling and re-phasing it. In some cases where it is beyond the capacity of small and