

Mr. Chairman: The question is:

"That Clause 19, as amended, stand part of the Bill."

The motion was adopted.

Clause 19, as amended, was added to the Bill.

Mr. Chairman: I shall put amendment No. 21 to clause 20 to the vote of the House.

The amendment was put and negatived.

Mr. Chairman: The question is:

"That Clause 20 stand part of the Bill."

The motion was adopted.

Clause 20 was added to the Bill.

Clauses 21, 22, 23, 1, Enacting Formula and the Title were added to the Bill.

Shri Datar: Madam, I beg to move:

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

Mr. Chairman: The question is:

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

The motion was adopted.

15 hrs.

MOTION RE MINERAL CONCESSIONS RULES, 1960

Mr. Chairman: The House will now take up consideration of the motions for modification of the Mineral Concession Rules, 1960, laid on the Table of the House on the 7th August, 1961.

I would like to know the number of hon. Members who may like to participate in this discussion.—I see

four hon. Members standing. This is a two-hour discussion. I think the hon. Member who initiates the discussion will take about 25 minutes.

Shri Vidya Charan Shukla (Baloda Bazar): About 35 minutes.

Mr. Chairman: He can try to manage within half an hour. Let us make a compromise between 25 minutes and 35 minutes. Let him have 30 minutes. Then, I think hon. Members who want to speak may have 15 minutes each. That will leave finally about 30 minutes for the reply of the Minister.

Shri Vidya Charan Shukla: I beg to move:

(1) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

in sub-rule (1) of rule 11, for "refused" substitute "granted".

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(2) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

in sub-rule (2) of rule 11, for "refused" substitute "granted".

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

[Shri Vidya Charan Shukla]

(3) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

in sub-rule (3) of rule 11, after "writing" insert "and communicated to the applicant".

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(4) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

after sub-rule (3) of rule 11, insert—

"(4) Preference shall be given to the mine owners who are operating beneficiation plants in the grant of prospecting licence."

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(5) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

in sub-rule (1) of rule 13, omit "or deemed to have been refused".

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(6) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

after sub-rule (4) of rule 14, insert—

"(5) The holder of a prospecting licence shall be entitled to the grant of a mining lease over the area so held under prospecting licence at his option."

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(7) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

to sub-rule (1) of rule 15, add the following proviso—

"Provided that in respect of the execution of the deed referred to above within the prescribed period, the default is on the part of the State Government or any of its authorities, then, such a deed shall be deemed to have been executed."

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(8) This House resolves that in pursuance of sub-section (1) of section 28

of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

in sub-rule (3) of rule 24, for "refused" substitute "granted, unless, Government within this time-limit communicates to the applicant an extension of this time with reasons therefor".

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(9) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

after sub-rule (3) of rule, 24, insert—

"(4) Preference shall be given to the mine owners who are operating beneficiation plants in the grant of mining leases and to those who undertake to set up beneficiation plants within 3 years of the grant of the lease."

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(10) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

in sub-rule (1) of rule 25, omit "or deemed to have been refused."

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(11) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

to clause (c) of sub-rule (1) of rule 27, in the proviso, add at the end—

"and that if the renewal of the mining lease is delayed by the Government and is consequently granted with retrospective effect, then no dead rent shall be required to be paid by the lessee in respect of such retrospective period."

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(12) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

after clause (m) of sub-rule (1) of rule 27, insert—

"(n) in the absence of ready market for low grade ores, the lessee/lessees who is/are operating or has/have undertaken to set up beneficiation plants, should properly store such low grade ore for future beneficiation;

(o) the lessee/lessees shall be required to put up a beneficiation plant of suitable size if so recommended by the National Ore-Dressing Laboratory."

[Shri Vidhya Charan Shukla]

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(13) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

after clause (n) of sub-rule (2) of rule 27, add the following proviso,—

“Provided that in respect of renewal of the mining lease, the lessee shall not be required by the State Government to pay and compensation for surface disturbance or obtain any permission to enter upon the area for surface occupation in respect of the whole or that much part of the area covered by the renewal of the lease in regard to which such conditions had been duly fulfilled by the lessee at the time of the original grant of the lease.”

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(14) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

in sub-rule (5) of rule 28, after “writing” insert “and communicated to the applicant”.

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(15) This House resolves that in pursuance of sub-section (1) of sec-

tion 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

to rule (1) of rule 31, add the following proviso,—

“Provided that in respect of the execution of the lease deed referred to above within the prescribed period, the default is on the part of the State Government or any of its authorities, then, such lease shall be deemed to have been executed.”

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(16) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

in rule 33, after “made” insert “by the State Government.”

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(17) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

in rule 33, add at the end—

“within a month of such grant.”

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(18) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

in sub-rule (1) of rule 37, after "Central Government" insert

"which shall be obtained by the State Government within three months of the receipt of application in this behalf from the lessee."

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(19) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

after sub-rule (4) of rule 54, insert—

"(5) An application for revision made under this rule shall be disposed of within six months from the date of its receipt and if it is not disposed of within that period, the relief sought in the revision shall be deemed to have been granted."

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(20) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

omit the Explanation to rule 54.

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(21) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

in rule 63, for "through the State Government" substitute "directly".

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(22) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

in Form B of Scheduled I, omit part (d) of sub-clause (xi) of clause 3.

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(23) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

to part (a) of sub-clause (xii) of clause 3, in Form B of Schedule I, add the following proviso,—

"Provided that if the applicant so requests, the topographical map shall be supplied to the Government by the Indian Bureau of Mines at the applicant's cost."

[Shri Vidhya Charan Shukla]

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(24) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

in the foot-note to Form B of Schedule I,—

(i) for "is obtainable" substitute "will be obtainable";

(ii) for "Survey of India, Hathibarkhala, Dehra Dun";

substitute

"Indian Bureau of Mines, Nagpur."

(iii) after "Dehra Dun" insert—

"The topographical map shall be supplied to the applicant by the Indian Bureau of Mines within a month from the date of receipt of the application in this behalf or a letter giving reasons for inability to supply it, shall be issued to the applicant by the Bureau within the said period."

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(25) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

in Part II of Form F of Schedule I,

after clause (8), add the following Explanation—

"Explanation.—For the purpose of clauses (6), (7) and (8), the application of the Licensee/Licensees for grant of required written permission/consent/sanction shall be disposed of within two months from the date of its receipt failing which it shall be deemed to have been granted."

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(26) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

in clause (1) of Part V of Form F of Schedule I,—add at the end—

"and shall take steps to settle the matter of compensation within two months from the date of receipt of the report in this behalf from the Licensee/Licensees".

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(27) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

in Form I of Schedule I, omit part (d) of sub-clause (xi) of clause 3.

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(28) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960 and relaid on the 7th August, 1961, namely:—

in Form I of Schedule I, to part (a) of sub-clause (xii) of clause 3, add the following proviso,—

“Provided that if the applicant so requests, the topographical map shall be supplied to the Government by the Indian Bureau of Mines at the applicant's cost.”

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(29) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960 and relaid on the 7th August, 1961, namely:—

in the foot-note to Form I of Schedule I,—

(i) for “is obtainable” substitute—
“will be obtainable”;

(ii) for “Survey of India, Hathbarkhala, Dehra Dun” substitute—

“Indian Bureau of Mines, Nagpur”; and

(iii) after “Dehra Dun” insert—

“The topographical map shall be supplied to the applicant by the Indian Bureau of Mines within a month from the date of receipt of the application in this behalf or a letter giving reasons for inability to supply it shall be issued to the applicant by the Bureau within the said period.”

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(30) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

in Form J of Schedule I, after part (c) of sub-clause (xi) of clause 2, add the following,—

“(d) particulars of existing or created dumps of ore, if any.”

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(31) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960, and relaid on the 7th August, 1961, namely:—

in Part III of Form K of Schedule I, at the end of clause 2, add—

“In the case of Government land, if no objection is received from the Deputy Commissioner/Collector of the district within the period of two months, the lessee/lessees shall be deemed to have been authorised to enter upon the area and use it for mining operations.”

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(32) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendments be made in the Mineral Concession Rules, 1960, laid on the Table on the

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7th December, 1960 and re-laid on the 7th August, 1961, namely:—

in Part VII of Form K of Schedule I,—

(i) for the marginal heading to clause 7, substitute—

“To allow inspection of workings, survey and prospecting”; and

(ii) in clause 7 after “surveying” insert “prospecting”.

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(33) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960 and re-laid on the 7th August, 1961, namely:—

in Part VIII of Form K of Schedule I, at the end of clause 2, add—

“and shall take steps to settle the matter of compensation within two months from the date of receipt of the report in this behalf from the lessee/lessees, failing which the lessee/lessees shall be entitled to enter upon the area and work it pending the fixation of such compensation”.

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(34) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concession Rules, 1960, laid on the Table on the 7th December, 1960 and re-laid on the 7th August, 1961, namely:—

in Part VIII of Form K of Schedule I, after clause 2, insert—

Lessee/Lessees not liable for compensation in respect of State Government land. “2A. Where the land comprising the area granted or renewed under Mining Lease is wholly or partly State Government land or land vesting in the State Government, no compensation shall be payable by the lessee/lessees for any damage to disturbance of surface as a consequence of the mining operations over such State Government land”.

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

(35) This House resolves that in pursuance of sub-section (1) of section 28 of the Mines and Minerals (Regulation and Development) Act, 1957, the following amendment be made in the Mineral Concessions Rules, 1960, laid on the Table on the 7th December, 1960 and re-laid on the 7th August, 1961, namely:—

in Part VIII of Form K of Schedule I, at the end of clause 3, add the following proviso—

“Provided that in the case of application for renewal of the lease made in accordance with these rules by the lessee/lessees the renewal is delayed on the part of the Government and is not disposed of before the expiration of the lease, and ultimately the renewal comes to be granted thereafter, then, the lessee/lessees shall not be required to pay any dead rents, rates etc., in respect of such retrospective period during which the lessee/lessees could not work the lease pending its renewal”.

This House recommends to Rajya Sabha that Rajya Sabha do concur in the said resolution.

My main aim in moving these motions for modification of the rules

to regulate the mineral concessions all over the country is to make them more effective and to remove any vagueness that may be there. On a par with the petroleum concession rules, these mineral concession rules form the basis for the development of all important mineral industries in our country whether they are in the private sector or in the public sector, because these mineral concessions are regulated by these rules which are under discussion here today.

Till now, these rules have been more abused than used, particularly by some State Governments. In spite of these rules, there have been delays of years, not months, in granting the prospecting licences and mining leases to the applicants. After putting in the application, for the purpose of getting a certificate of approval, particularly for prospecting licences and mining leases, the applicants have to chase the application right from the patwari level to the State Government level. Sometimes they have to come to New Delhi also when their applications and petitions are pending here. They have to chase the applications right from the tehsil headquarters to the district headquarters and every time they have to put in some petition before the official concerned before the application is moved to the next higher level. This kind of thing is most damaging as far as the small mine-owners are concerned. This is the saddest part of these rules: that is, the main sufferers because of these rules are the small mine-owners over the country. The big mine-owners—whether individuals or limited companies—have enough staff at their disposal to keep on chasing their applications. They keep on sending their people to all levels and at all levels, wherever the applications may be, to see that the applications reach the proper level before the time-limit is over. In the case of the small mine-owners, they themselves are the geologists, the accountants and salesmen, all in one. So, it is impossible for a small mine-

owner to make any effort or to make all these efforts, and it is he, because of his inability to do so, who suffers.

The main purpose of my suggested modifications is to reduce this time and to cut the required time by the applicant to the minimum, and to give an incentive to the State Governments and the machinery of the State Governments to keep on disposing of the various applications made under the rules in an expeditious manner.

Now, I shall come to the rules proper. Firstly, I have proposed that in sub-rule (1) of rules 11, "refused" may be substituted by "granted". The present rule suggests that an application made under these rules, if not granted within nine months, will be deemed to have been refused. This has given a very novel method to the State Government authorities to refuse any application. The only thing is that they have to do is not to take any action and to keep the application in cold storage. So ultimately, it gets rejected. The applicant can come over and appeal to the Central Government and get redress from here. But that is another matter. Most of the people get so discouraged by such delays and troubles that they do not come to the Central Government level for getting redress. What I have proposed is that if after nine months the State Government has not passed any order on the application, the first applicant will have his application automatically granted. In case there are others who feel aggrieved by such a thing they can come in appeal to the Central Government and have the orders reversed. If the first man gets his lease granted for no merit in his application, then that particular decision can be upset here, in case somebody is prepared to come here for review. This rule as it stands has been operating adversely. It has not fulfilled the purpose for which it was framed. The hon. Minister knows about this matter. A lot of com-

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plaints have been received in this regard. I do not know if the Central Government have received complaints, but such complaints have been received in various States. This particular rule is the crux of the amendments that I have suggested to these rules.

My second amendment is only a consequential one. So, I need not say anything about it. In my third amendment, I have suggested that in sub-rule (3) of rule 11, after the word "writing", the words "and communicated to the applicant" be inserted. This is only reasonable, because, according to that clause, if the area of lease is reduced for any reason, the reasons must be communicated to the applicant or the party concerned so that in case he feels that there has been any unjustified move on the part of the Government, he can make the matter clear.

In the fourth amendment I have suggested that after sub-rule (3) of rule 11, the following may be inserted:

"(4) Preference shall be given to the mineowners who are operating beneficiation plants in the grant of prospecting licence."

Although it is a very laudable amendment, I would not press this amendment merely because at the stage of prospecting this kind of preference may not be very useful. It will be extremely useful of course at the stage, of mining lease when it is being granted.

15.06 hrs.

[SHRI HEDA in the Chair]

My fifth amendment is as follows:

"in sub-rule (1) of rule 13, omit, 'or deemed to have been refused'."

This again is also a consequential amendment which does not need

much elucidation. In the sixth amendment, I have suggested that after sub-rule (4) of rule 14, the following may be inserted:

"(5) The holder of a prospecting licence shall be entitled to the grant of a mining lease over the area so held under prospecting licence at his option".

I do not want to press this amendment also, because after I moved these amendments, it came to my notice that this particular thing had already been provided in the parent Act under which these rules have been framed. So, since this provision is already in the Act, I do not think it is necessary to press it.

My seventh amendment seeks to add the following proviso to sub-rule (1) of rule 15:

"Provided that in respect of the execution of the deed referred to above within the prescribed period, the default is on the part of the State Government or any of its authorities, then, such a deed shall be deemed to have been executed."

It is mainly based on the same principle; as in the case of a prospecting licence, the State Government have the unlimited option to keep the execution of a mining lease deed or a prospecting application deed pending for any length of time. There is nothing to prevent them from keeping it pending for years together. In some hard cases, it has happened like that. Without any justification, the execution of the lease deed is kept pending for a long time. If the State Government does not like a particular man to whom a mining lease has been granted, even after the man insists upon the execution of the lease his efforts to enter upon the area and beginning the mining operations can be frustrated, just because the lease deed has not been executed.

This particular section provides that in case the lessee himself defaults, the Government can cancel the lease and proceed against the lessee. But the lessee himself does not have any remedy available to him if the State Government chooses not to execute the lease. For that, I have provided that in case the State Government defaults, the lessee should have this remedy available that the lease will be deemed to have been executed automatically and he will have the right to enter upon the area.

I am not very sure whether this kind of automatic execution of the lease will have any legal force or not. In case it does not, he should at least be granted the consideration of being allowed to enter upon the area, pending the formal execution of the lease later on. If he has completed all the legal formalities, just because the lease deed has not been executed, he should not be prevented, after a time-limit. That time-limit should be given to him, so that he has some remedy available to him, and no injustice is done in this respect. I am providing this because this is a provision by which all the efforts of the applicant as well as the Government can be frustrated by some officers who may be prejudiced against the party. So, this amendment is intended to provide some kind of remedy.

In the 8th amendment, I have suggested:

"In sub-rule (3) of rule 24, for "refused" substitute "granted, unless, Government within this time-limit communicates to the applicant an extension of this time with reasons therefor"."

This again is in respect of an application for a mining lease. I have already explained the reasons.

My 9th amendment is:

"After sub-rule (3) of rule 24, insert—

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"(4) Preference shall be given to the mine-owners who are operating beneficiation plants in the grant of mining leases and to those who undertake to set-up beneficiation plants within three years of the grant of the lease."

This kind of preference may not be made absolute, but it may be indicated and everybody in the mining industry should know that those people who operate their mines and do mining operations in a way so as to conserve the mineral resources of the country will receive some consideration from the Government. If that is done, conservation of the mineral resources will become much more important than it is today. Most of the small mine-owners do not bother about mineral conservation, because it does not help them. Their economy is so unstable that if they keep on bothering about conservation of the minerals and all that, their raising cost becomes very high and it will be unremunerative. So, preference may be given to such people who put up beneficiation plants, however modest and small it may be. It may not be a big plant costing lakhs of rupees. However, small it may be, he should be given a little preference than those who do not have that much of beneficiation activity. I would like to press this amendment and I hope Government will consider it fit to accept this.

In amendment No. 10, I have suggested:

"in sub-rule (1) of rule 25, omit "or deemed to have been refused"."

This again is a consequential amendment.

In amendment No. 11, I have suggested:

"to clause (c) of sub-rule (1) of rule 27, in the proviso, add at the end—

"and that if the renewal of the mining lease is delayed by the

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Government and is consequently granted with retrospective effect, then no dead rent shall be required to be paid by the lessee in respect of such retrospective period."

This is to remove a hardship which some of the small mine-owners have to face quite often. The renewal application for a mining lease is given six months in advance before the mining lease actually expires. In several cases which have come to my notice, I have seen that the State Government take more than six months or even a year or two years. In one particular case I know of, they took 5 years to grant the renewal of the mining lease. According to the rules, the mine-owner could not operate the mines for five years, but still when it was renewed with retrospective effect, he was required to pay the dead rent for five years. This amendment would mean that he shall be liable to pay dead rent only from the date of the order from which the renewal application has been granted. This is a reasonable amendment and I hope the Minister will accept this.

Amendment No. 12 suggests:

"after clause (m) of sub-rule (1) of rule 27 insert—

"(n) in the absence of ready market for low grade ores, the lessee/lessees who is/are operating or has/have undertaken to set up beneficiation plants, should properly store such low grade ore for future beneficiation."

(o) the lessee/lessees shall be required to put up a beneficiation plant of suitable size if so recommended by the National Ore Dressing Laboratory."

This is a very important amendment. The Committee appointed by the Government have suggested that a National Ore Dressing Laboratory should

be set up to encourage the beneficiation movement in the mineral industry in our country. This particular recommendation is under the active consideration of the Government. The Government have taken no decision on this recommendation. So, I would not press the second part of the amendment. But I would say that it would be very much in the interest of the mineral industry and mineral conservation if there is some provision in these rules to force the defaulting mine-owners to set up beneficiation plants and to prevent them from destroying the low grade ores or dumping in such manner that they cannot be used again for recovering whatever ore may be left in that dump by beneficiation.

In amendment No. 13, I have suggested:

"after clause(n) of Sub-clause (2) of rule 27, add the following proviso:

"Provided that in respect of renewal of the mining lease, the lessee shall not be required by the State Government to pay any compensation for surface disturbances or obtain any permission to enter upon the area for surface occupation in respect of the whole or that much part of the area covered by the renewal of the lease in regard to which such conditions had been duly fulfilled by the lessee at the time of the original grant of the lease."

This is already the intention of the Government but because of the vagueness left in the rule there have been a good deal of trouble arising for the small and medium mine owners. It has happened that after the original lease had expired in the first renewal stage the District Commissioner or the Collector of the district would ask the lessee to pay the compensation for surface disturbance or to ask again the permission to enter upon the area which related to the payment of compensation

which, strictly speaking, is not required under the law. But, because of the vagueness of the rule some people take that action, some people do not. Here I would refer to a very hard case in which the compensation has been fixed at a very high rate and the area is about 225 acres. In that case the compensation comes to about Rs. 50,000 or so, which need not be paid because the compensation for surface disturbance was already paid, and even if the ownership of the land had changed the new owner had taken over the land with full realisation that compensation for surface disturbance has already been paid by the other party. So he knows about the whole thing. The surface cannot be disturbed twice. Therefore, this matter has to be made very clear. At the time of original grant of the lease it is very reasonable and it must be done, but at the time of renewal of the lease no such demand should be again made. This amendment is sought to be made to clarify the provision in the rule properly.

Amendment No. 14 suggests that in sub-rule (5) of rule 28, after "writing" insert "and communicated to the applicant". Here again, it is a laudable practice to let the applicant know the reasons for which a particular decision has been taken. I hope the Government would have no objection in accepting this amendment.

Amendment No. 15 provides that to sub-rule (1) of rule 31, the following proviso be added:

"Provided that in respect of the execution of the lease deed referred to above within the prescribed period, the default is on the part of the State Government or any of its authorities, then, such lease shall be deemed to have been executed."

This again is the same as amendment No. 7, and it need not be explained any further.

Amendment No. 16 says that in rule 33, after "made" insert "by the State Government". I am suggesting this to avoid delay in demarcation of the land and survey of the area which has been granted to the applicant. Sometimes it happens—of course, it has to be done at the cost of the applicant and the State Government is not to suffer any loss or incur any expenditure—that the matter is delayed. The provision now made is to see that the mineral concessions once they are granted are expeditiously put into production.

Now I come to amendment No. 17. It says:

"in rule 33, add at the end—

'within a month of such grant'

This is about the transfer of the lease. If a particular geologist or a person who has some local knowledge obtains a good mining property in some place and he does not have enough credit or enough resources to exploit the ore properly, then that area which has been granted to him for 20 or 25 years should not suffer and should not lie idle just because the man who holds the lease cannot exploit the ore properly and there is nobody to give the necessary finance to him. This provision will restrict the time which should be taken for consideration of the application for transferring or selling the area to some other party which will be able to exploit the area or win the ore out of it. The only precaution that is necessary here to be taken is that there should not be any speculation on the mining lease or prospecting licence and no profiteering should be done on that. But I suppose the present rules provide enough safeguards against such a contingency. If some time-limit is put—I do not insist that it should be one month, it can be two months or even three months if the Government so feels—I feel it would be in the interest of mineral development. When the transfer of a lease has been asked for,

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if the Government are satisfied that it is a genuine transfer and there is no speculation or profiteering involved in the latter they may consider and dispose of it in an expeditious manner.

My amendment No. 18 is:

"in sub-rule (1) of rule 37, after "Central Government" insert 'which shall be obtained by the State Government within three months of the receipt of application in this behalf from the lessee.' "

This is again about transfer applications which I have already explained.

The Minister of Mines and Oil (Shri K. D. Malaviya): You want to cut short the time in this also?

Shri Vidya Charan Shukla: Yes. Then, my amendment No. 19 is:

after sub-rule (4) of rule 54, insert

"(5) An application for revision made under this rule shall be disposed of within six months from the date of its receipt and if it is not disposed of within that period, the relief sought in the revision shall be deemed to have been granted."

On a second thought I found that this particular amendment will not be of much help to the applicants or to the authorities in dealing with the mining applications or mining cases properly. So I would not press this amendment.

Amendment No. 20 suggests: "omit the Explanation to rule 54". This is consequential to the earlier amendments.

Amendment No. 21 is:

in rule 63, for "through the State Government" substitute "directly"

This amendment also I am not going to press because on re-consideration I find that the rule as it stands today is sufficiently clear and good as far as the mining application goes, and I would not press it.

Amendment No. 22 is:

"in Form B of Schedule I, omit part (d) of sub-clause (xi) of clause 3."

This is regarding the map to be supplied by the applicant to the State Government authorities indicating the area which he has asked for in the application. I have suggested this to bring to the notice of the Government the great difficulty that the applicants face in getting the required map and all that. But since this thing has been covered in the subsequent amendment I would not press this also.

Shri Chintamani Panigrahi (Puri): Slowly you are withdrawing almost all the amendments.

Shri K. D. Malaviya: You take them up.

Shri Vidya Charan Shukla: All the amendments are justifiable and reasonable, and that is why I am putting them forward.

Amendment No. 23 suggests:

"to part (a) of sub-clause (xii) of clause 3, in Form B of Schedule I, add the following proviso:

'Provided that if the applicant so requests, the topographical map shall be supplied to the Government by the Indian Bureau of Mines at the applicant's cost.'

It is extremely important, because the applicants have always been put to difficulties. They have been demanding this survey of India map from the Survey of India, Dehra Dun and from

other authorities and it has been absolutely impossible for them to get this. I suggest here that the Indian Bureau of Mines should be held responsible for the supply of these maps to the applicants. But here I would like to say that instead of "the Indian Bureau of Mines", the "Survey of India" would be a better medium for getting these maps. So, I say that instead of the words "Indian Bureau of Mines" the words "Survey of India" should be added here, and Government should take up the responsibility of providing the maps whenever such a request has been forwarded to them. Because, most of the State Governments have made it a rule that no application can be processed or considered unless a copy is attached, and that copy is nowhere available with the result that application is kept pending without any disposal. If the Government feel that a particular area is being heavily applied for, they can anticipate it and place an order with the Survey of India and get the copies. If a central authority like the Government takes up the responsibility of seeing that the maps are provided to the applicants, then a lot of misery and difficulties felt by the mine-owners will disappear. It will help the Government as well as the applicant because the areas will be clearly demarcated and everybody would know exactly which area is going to be taken up and which area is not going to be taken up. It will remove a lot of hardship to both. Then, this map is given at the cost of the applicant. Either they may take the money in advance, or they may recover it afterwards. In any case, it will be at the cost of the applicant.

Amendment No. 24 suggests:

"in the foot-note to Form B of Schedule I,—

- (i) for "is obtainable" substitute—"will be obtainable"
- (ii) for "Survey of India; Hathi-barkhala; Dehra Dun"; substitute—"Indian Bureau of Mines, Nagpur";

(iii) after "Dehra Dun" insert—

"The topographical map shall be supplied to the applicant by the Indian Bureau of Mines within a month from the date of receipt of the application in this behalf or a letter giving reasons for inability to supply it, shall be issued to the applicant by the Bureau within the said period".

In this. I would press for part (i), which suggests the substitution of "will be obtainable" for "is obtainable". I would not press for part (ii), because I would like the "Survey of India" to continue to be held responsible for supply of these maps, as obtains today. On part (iii) I would not insist upon this time limit of one month—Government may keep it two months or three months, whatever they think fit, for administrative convenience—but I would press on some time limit so that the applications are not kept pending for a longer time on the ground that a map is not available.

Amendment No. 25 suggests:

"in Part II of Form F of Schedule I, after clause (8), add the following Explanation,—

'Explanation.—For the purpose of clauses (6), (7) and (8), the application of the Licensee/Licensees for grant of required written permission/consent/sanction shall be disposed of within two months from the date of its receipt failing which it shall be deemed to have been granted.'

Mr. Chairman: May I suggest to the hon. Member that he need not read every amendment? They may be taken note of by the House. He may refer to amendments covering more than one argument, because his time is already up. He has come only to amendment No. 25 and there are 35 amendments.

Shri Vidya Charan Shukla: I will bow to your ruling. But unless the amendments are read and explained, what I say will not be understood by anybody here. I do not know how many hon. Members have gone through this long list of amendments to understand what I say. Anyway, I will try to be brief.

Shri Chintamani Panigrahi: We have gone through all those amendments.

Shri Vidya Charan Shukla: With regard to amendments which I am not going to press, I will not explain why I am not going to press; I will simply say that I do not press them.

I do not press amendment No. 26, 27 or 28. Amendment No. 29 says:

"in Part III of Form K of Schedule I, at the end of clause 2, add—

'In the case of Government land, if no objection is received from the Deputy Commissioner/Collector of the district within the period of two months, the lessee/lessees shall be deemed to lessee/lessees shall be deemed to upon the area and use it for mining operation.' "

This is a self-explanatory provision and I hope Government will have no objection in accepting it, because it only removes the vagueness in the rules and makes them clear.

Amendment No. 30 says:

"in Part VI of Form K of Schedule I,—

- (i) for the marginal heading to clause 7, substitute—

"To allow inspection of workings, survey and prospecting"; and

- (ii) in clause 7, after "surveying" insert "prospecting"

This is generally to help the Government in having uninterrupted survey of areas where private leaseholds are there. In case they want to have a complete prospecting of the areas, this rule will authorise them even to insist for prospecting and mapping purposes areas held by private parties. Today the Survey of India and the Indian Bureau of Mines feel some difficulty because they are not able to do prospecting in the whole area. This is only to remove that difficulty faced by the Government.

Amendment No. 31 says:

"in Part VIII of Form K of Schedule I, at end of clause 2, add—

'and shall take steps to settle the matter of compensation within two months from the date of receipt of the report in this behalf from the lessee/lessees, failing which the lessee/lessees shall be entitled to enter upon the area and work it pending the fixation of such compensation.' "

This is only a clarification of the existing rules and the intention of the Government. I hope Government would have no objection to accept this.

Amendment No. 32 says:

"in Part VIII of Form K of Schedule I, after clause 2, insert—

'2A. Where the land comprising the area granted or renewed under Mining Lease is wholly or partly State Government land or land vesting in the State Government, no compensation shall be payable by the lessee/lessees for any damage or disturbance of surface as a consequence of the mining operations over such State Government land.' "

I would not like to press it and I would be satisfied if some amendment of the rule is made so that people who enter upon Government land,

where there is no Government property or forest or such thing, if only there is a surface disturbance, Government do not claim any compensation from the applicants, because "Government" as defined in the Revenue Codes of various States do not refer to it as a person and only a person is entitled for such compensation.

Amendment No. 35 reads:

"in Part VIII of Form K of Schedule I, at the end of clause 3, add the following proviso—

'Provided that in the case of application for renewal of the lease made in accordance with these rules by the lessee/lessees, renewal is delayed on the part of the Government and is not disposed of before the expiration of the lease, and ultimately the renewal comes to be granted thereafter, then, the lessee/lessees shall not be required to pay any dead rents, rates etc. in respect of such retrospective period during which the lessee/lessees could not work the lease pending its renewal.'

This has already been covered by an earlier amendment. I have already explained it.

This is all I have to move. I hope the hon. Minister will sympathetically consider these and accept all those which I have pressed.

Mr. Chairman: All these motions moved by the hon. Member are before the House.

Shri Tyagi (Dehra Dun): Sir, at the very outset I must congratulate the hon. Minister and his Ministry for the most successful manner in which they have encouraged mining in India during this brief period of a few years of independence. Nature has deposited treasures in the womb of mother earth and now it is for man to find out where the treasure lies.

Today we are heaped with all types of debts which our hon. Finance Minister is incurring outside; of course for the improvement and development of the country. But, I am afraid, he too is at a loss to some extent to find ways and means for their repayment. The Planning Commission have dealt with it a little, but the repayment scheme is not satisfactory at all. The nation is going deep down in such heavy debts and it is but natural and logical that we must develop our mining operations.

The treasures lying underneath the surface cannot be assessed. Our debts can either be paid in gold or in some other commodity. Wealth has to be produced either by means of agricultural operations or by means of industry. But bigger wealth and easier wealth which we can handle is by means of mining the minerals which are lying there ready and that wealth remains alive even for centuries to come. For the first time there is a hope that we have come to a stage where we can just mine it and pay off our debts howsoever heavy might be the indebtedness. All hopes are based on our mining operations and on the development of mines because they are the easiest means of earning national income and making payments to foreign countries.

The Ministry has done very well. I am glad that the hon. Minister was lucky to have collected round about him officers who are experts, who are honest, energetic, very intelligent and young officers and who are working with full-blooded patriotic sense. They are doing marvellously well. I have come in contact with them at the Central Department of Mining.

After these remarks I must say that these rules have also been framed with the best intentions. Before these rules came into existence and were publicised there was all chaos in the mining operations. The State Governments were going their own way. There was no order. It is for the first time that the Mining Act and the

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Rules have brought some order. This is the most important function of the Government. However, still there are some lacunae. There are some gaps and loopholes which have to be plugged. I am grateful to my hon. friend, Shri Shukla, who has made a special study of mining operations. He has direct knowledge of these operations. Therefore whatever he has said is really as a result of his personal experience.

I have only come in contact with some people in Dehra Dun, my own constituency, who are busy quarrying limestone. It is only through them that I could come in contact with this department. I feel how difficult the situation is for them. I am in agreement with Shri Shukla in practically all the comments that he has made because he has felt the very pulse of the problem. I would appeal to the hon. Minister to look into the amendments that he has proposed. Most of them are most reasonable, I must say. If they may not be acceptable in the shape in which they are, the hon. Minister might take time to amend these Rules in the light of the discussion which we might have in this House. These amendments may not be acceptable as they are because, naturally, he would like to have time to consider the repercussions of the various suggestions. Therefore he might just undertake to amend these rules in the light of the discussion that we have here today.

I never knew that Shri Shukla's amendments were so exhaustive. I had given notice of three amendments myself. But, to my surprise, I find that they have all been covered by Shri Shukla. I therefore, need not move them.

An Hon. Member: He can refer to them.

Shri Tyagi: Surely, I will refer to them. But before I refer to them, I would like to have clarification on a few points and would like to emphasise those points before the hon. Minister.

The difficulties which miners and quarry-owners mostly feel, in the first place in my own constituency I will say, is about lime. I was told that there was a dispute in my constituency with regard to the interpretation of the rules. They said that the minor minerals as have been prescribed in the rules.....

Shri Indrajit Gupta (Calcutta—South West): Is the hon. Member referring to limestone or to lime? I think, lime grows on trees.

Shri Tyagi: I am talking of quarrying of limestone. Limestone goes into various industries, like the sugar industry, the paper-making industry and many other chemical industries. It is now in great demand. Crores of rupees worth of limestone is now being quarried in these areas. Till late we were dependent for limestone on Pakistan and other countries. Now, luckily we are self-sufficient. But, unfortunately, those people who are busy in this trade are not being very fairly dealt with. They are not being given a fair treatment. The State Governments are trying to get this limestone declared as a minor mineral so that they may have the liberty of raising their rates or charges on mining royalties etc. For that purpose they are very keen to see that limestone is declared a minor mineral. At present there is some mention about this limestone. It is written somewhere that limestone used for lime burning purpose is a minor mineral. The interpretation given in my State quarters is that all limestone which goes to sugar factories, paper factories or to any chemical factory, before it is actually utilised in that factory for the manufacture of those commodities is burnt. Therefore they say that because limestone is used for lime burning purposes and because first it is burnt, it is a minor mineral. I want a clarification from the hon. Minister as to

whether he agrees with that interpretation. It must be made quite clear that limestone which is quarried and which is supplied to various industries is not a minor mineral, that it is a major mineral and that it is directly under the final control of the Central Government.

Dr. M. S. Aney (Nagpur): Which of the rules does he want to amend for the sake of getting that thing?

Shri Tyagi: I have said that the amendments have already been moved. I only want the hon. Minister to clarify this interpretation of these rules. There is a paragraph on minor minerals. I want it to be clarified that limestone when it goes to chemical or other big industries is not a minor mineral. That is what I want the hon. Minister to announce if he agrees with this interpretation. Let the people at least know what the situation is.

Another difficulty that they are feeling is this. Leases have been granted. In the rules which are under consideration, 11-(1) and 11-(2) and also 24 (3), there is mention that if an application for lease or application for prospecting licence is given for a particular area and the State Government just sits tight over it, and does not give an answer, the application shall be deemed to have been rejected. This is a novel method of rejecting applications. This is a lapse on the part of the State Government. For that lapse, the applicant suffers. This is illogical. I have never seen any law under which the applicant suffers because his application has not been answered. That does not look well. I, therefore, support the amendment which has been given by Shri Vidya Charan Shukla and by me also. There must be some method found out. Otherwise, the applicants will just go on waiting. They wait for nine months in the hope that their

applications will be considered or they will be asked to give some supplementary information. Nine months are over. Nothing happens; there is no correspondence. That man, after hoping against hope, finds that his application is rejected, not because the Government has objected to it, but because the calendar has come in the way. Nine months are over and it is rejected. This is illogical. I would, therefore, suggest that something may be done to clarify this rule, and if an amendment is needed, it may be effected.

There are a number of cases where the State Government, of course, with the authority of the Central Government has actually given the lease years ago, as Shri Vidya Charan Shukla said. In my constituency also, I am experiencing the same difficulty. Actually, it is not executed. It is not registered. You cannot start work because the lease has not been executed. They are prepared to execute the lease. The difficulty is, the Government does not come forward to execute. They are delaying. I do not know what is the purpose. Whatever the motive may be, I assure the Minister, if they leave such a type of discretion in the hands of the State Government, this department will come to a worse pass. The department will get defamed. That is my fear. Therefore, he must clarify the issue. Once a lease is granted, it must be executed. Or, as Shri Vidya Charan Shukla has suggested rightly, it may be taken as executed automatically. Just as you take an application as rejected after nine months, after the grant of a lease, after three or four months, you must take it as executed, so that the party might start his operations. Mining operations should not be delayed. It is unpatriotic to delay mining operations.

Shri K. D. Malaviya: Which is the rule?

Shri Tyagi: It is difficult for me to give the number. That is one point which my hon. friend may take note of.

Another question which arises is about transfer of leases. In the matter of transfer of leases, there may be cases like the one I just want to put before the Minister. Suppose a leaseholder dies. He may have three sons who have been working with him all right, but their names are not in the lease as owners of the leasehold. That has to be transferred. Will this rule come in the way?

Shri Narayanankutty Menon: That is not a transfer; it is inheritance.

Shri Tyagi: This would come in the way. Can be inherit? That is also a clarification that I want to have.

Shri Vidya Charan Shukla: He cannot. The Government will have to pass an order. The order takes a long time. Without the order, he does not. It is not automatical.

Shri Tyagi: Even this natural inheritance should not be obstructed by your rule. Let it be made quite clear.

Again, in the matter of mines, as long as the State starts operations in the public sector, it is welcome. Do not restrict it for some years to come. Because, we want wealth. We want to repay our loans. Let us take out as much as we can. Therefore, anybody and everybody who offers for these operations, let him be encouraged to do it. Your rules should not be restrictive. They should be encouraging the parties to come forward and put their capital into it.

There is another rule about transfer to persons from whom some finances are to be had. Why should you object to that? I take a lease. I have not enough money to run it. I have a little money. It requires more capital. The more capital you invest into mining, the more you will earn. That is the only way. Just as you sow seeds into the soil and you get the crop, likewise, you sink your capital

and you get the treasure. Therefore, more and more capital should be allowed to go into the mines. If any leaseholder wants to bring in a person who can invest more capital and add to the operations, he must be encouraged. There should be no restriction. Some facility should be given on that account too.

Then, there is the question of re-determination. Rule 37(3) deals with this. On committing breach of the provisions of sub-rule such and such, the State Government might re-determine, meaning thereby, reduce the lease area. I suggest you might take away these powers from the hands of the State Governments and the rules as a whole must be biased by consideration of encouraging mining.

There is one more question I want to put to the hon. Minister. The Government have been doing—I read in the papers—quite a lot of activity in prospecting magnesite in Uttar Pradesh, I believe. There were some private parties who were intending to start some industry there. I wonder if the hon. Minister will just spend all the money for prospecting and then leave that ore to a private party to have it. Why not start your factory in the public sector? You have yourself taken up mining. Why does not the Government start a factory to process the material? Why leave it unnecessarily to a private party, although, to a private party I do not object in principle. Here, all the money for prospecting has been spent by the Government itself. Why should the Government not run the factory itself?

I would also request the hon. Minister to consider if he can make it a policy to encourage it wherever labour and capital unite together and form a co-operative society. For instance, a co-operative type of mining operation where labourers themselves are also the share-holders in mining—such co-operative societies must be encouraged. The co-operative organisation is the easiest here. The co-operative sector is the easiest

to build in mining operations. It is very easy because mostly, the miners are the hardest worked labourers. They do the hardest work. If they are all encouraged to co-operate together, let the co-operative society run a mine. There are Engineers, there are workers. They will have their pay. They will earn a profit. Likewise, they can have a processing industry as well. I would like to know from the hon. Minister if he would give encouragement to co-operative societies in mining operations where labour can participate. That is the best way to give employment to poor people. In that case, they will naturally require capital. Government may make some arrangement for capital too.

16 hrs.

Another small question is about limestone, again going back. A deputation had come to the hon. Minister and waited on him. The matter is pending. They cannot invest. I know it for a fact and I want to inform the House that they are not in a position to invest money because their leases are not granted to them and they are not secure. Unless that is done, there will be no operations. If tomorrow quarrying operations of limestone in Dehra Dun cease, you will have to import a few crores worth of limestone from Pakistan. That will be the end of the whole thing. Therefore, I would request the hon. Minister to keep a kindly eye on my constituency.

Shri Chintamani Panigrahi: Today, we are not going to discuss either the history of the mining industry in this country or the various principles which are involved in the formulation of these rules, because so far as the mining industry is concerned, it is nearly a century old. The Government of India had this Mines and Minerals (Regulation and Development) Act enacted in 1957. And now these rules have been framed under that Act. Why did they frame this Act and why have they framed these rules? It is because, during the last

hundred years, there has been really no co-ordinated planning so far as mining is concerned. There was only a haphazard growth. Any individual entrepreneur, if he wanted, could see that some area is there, and he could go there, and if the mineral content is 60 per cent or more, as in the case of iron ore, for instance, collect it and sell it and get the money. Thus, there has been a kind of haphazard growth of the mining industry in this country. There is hardly any time to discuss this policy or these high principles, when we are considering the rules. But we must see whether the rules which are being framed under the Act of 1957, and which are before us now are really helping the co-ordinated and planned growth of mining industry in this country. The rules by themselves are not very helpful if they are not subservient to this end.

There are four major factors which have to be taken into consideration before we consider whether the rules are really sufficient, or they are flawless. The first factor is that the mining industry completely falls under the jurisdiction of the States. The question is to what extent the Central Government can come forward to reduce the right of the State Governments. I know that the various State Governments, at every stage, want to exercise their rights. Therefore, we have to consider to what extent the Central Government can go, by framing these rules and regulations, to reduce the rights of the States, so far as their mineral resources are concerned.

Secondly, the mineral resources are sources of revenue to the States. They augment the resources of the various States. So, while framing these rules or modifying these rules, one must also understand to what extent these modifications or these rules as they are, are going, to affect the revenue resources of the States.

[Shri Chintamoni Panigrahi]

Thirdly, we have to remember that the mining interests which are at present functioning in the country are mostly foreign nationals. The question is whether these mining rules or regulations will leave the room wide open for the foreign nationals again to come over here or to give lease to those who are already here, so that they can exploit these resources in our country.

These are the broad factors which we have to take into consideration, but they cannot be discussed here in detail; therefore, I shall confine myself only to those aspects of the rules where these factors come in.

I am very grateful to my hon. friend Shri Vidya Charan Shukla that he has taken interest in this matter and he has brought forward certain modifications to the rules. When I was going through these rules, I thought that my hon. friend, after second thoughts, would perhaps decide to withdraw many of the suggested modifications. When my hon. friend was really initiating this discussion, at every stage, he was also thinking over the modification again, and he was thinking that this modification or that modification cannot be pressed. Therefore, he has withdrawn many of the modifications which he was wanting to suggest. So, there remain now only a few modifications which can be taken into consideration very seriously and which can also be acted upon.

First, let us take up sub-rule (1) of rule 11. This relates to disposal of applications for the grant and renewal of prospecting licence. What the modification seeks to do is to substitute the word 'granted' for the word 'refused'. If we go through these rules, we shall find that, where Government say that the application by itself is deemed to be refused, the modification suggested is that the application by itself is deemed to be granted. I do not see how this kind of argument has been advanced. I believe that what my hon. friend Shri Vidya Charan Shukla wants is that it must be expedited.

Shri Tyagi: As an analogy, suppose my hon. friend files a civil suit in a court of law; if in nine months, it is not heard, can it be taken that it is rejected?

Shri Chintamoni Panigrahi: I am coming to what Shri Tyagi has suggested. I am coming to the very spirit of his suggestions. Shri Vidya Charan Shukla, Shri Tyagi and many of my hon. friends here are all interested in the safety of mining and in the speedy promotion of mining industry in this country, and, therefore, we want that the grant or refusal of an application should not be delayed unnecessarily. Therefore, I think that it is enough if we say that an application for prospecting licence should be disposed of within a certain period. Why should it be kept pending for such a long period? Why should it be kept pending for more than six months? Even the experts themselves are of the opinion that it would take at best six months to decide on the application for a prospecting licence, taking into consideration all factors. My question is: Why should it be delayed up to nine months? If it is delayed for so long, then other questions will naturally arise. Therefore, here and now, the hon. Minister may accept this suggestion which Shri Tyagi has made—if it cannot be accepted now, the rule may be modified later on—that within a period of six months, the application should either be rejected or granted, and this should be intimated to the party. I think that this will be a very good suggestion and it will be helpful also for the promotion of the mining interests, especially in the case of the small mine-owners.

Then, it is alleged by my hon. friend Shri Vidya Charan Shukla that sometimes, the reason for rejection are not intimated or communicated to the parties. But I know that so far as many cases are concerned, the reasons are intimated. If there are cases where the reasons are not being intimated, I think they are peculiar cases, and those cases must be brought to the

notice of the hon. Minister. So far as my knowledge of this industry goes, when the applications are rejected, the reasons also are communicated.

Shri Vidya Charan Shukla: My hon. friend has not understood my amendment. My amendment relates not to the rejection of the application. My amendment only seeks to lay down that when the area of the original lease is reduced by the State Government at the time of renewal, they should communicate the reasons in writing to the applicant, for such rejection. That is all that I have said. I have not said anything regarding the rejection of the application.

Shri Chintamani Panigrahi: Even in that regard, I shall explain the position a little when I come to that particular rule.

Then, I come to sub-rule (3) of rule 11. This relates to the same thing again. This seeks to communicate the order to the applicant. I think that all such orders should be communicated. My feeling is that they are being communicated, but if they are not communicated, I think that they should be communicated.

The next modification that my hon. friend suggests is this, namely:

"Preference shall be given to the mine-owners who are operating beneficiation plants in the grant of prospecting licence."

So far as the spirit of this modification is concerned, I appreciate it. In our country, beneficiation of low-grade ores is an urgent and immediate necessity, because a large amount of low grade ores is now being wasted and dumped. We cannot afford to lose our national resources in this manner. So, beneficiation of low-grade ores is very necessary. But this provision that preference will be given to mine-owners who are operating beneficiation plant, in the grant of prospecting

licence, cannot be accepted, because it will be detrimental to the interests of the large number of small mine-owners. They are fighting already against these big combines, which are functioning in this country today. Therefore, it is all the more necessary that if a mine-owner wants to have a beneficiation plant, Government should advance him the money for the purpose. Many of the big mineowners today, as, for example, the Tatas have set up their beneficiation plant for ferro-manganese ore at Joda. Then, Shri Bijoyananda Patnaik, the present industrialist Chief Minister of Orissa, before he became the Chief Minister, had already set up a pig iron plant for the beneficiation of low-grade ores at Barbil. There are many important industrialists and mine-owners and they are putting up the plant. Therefore, it should not be made a condition of the terms of granting prospecting licences or mining leases, because it will be detrimental to the interests of the small mine-owners. Even without this specification in the mining leases, large mining interests are setting up their beneficiation plants. There are various ways of encouraging those mine-owners who are now planning to set up beneficiation plants for up-grading of low-grade ores.

I can cite one or two instances. Take the case of Sirajjuddin. This firm applied for a mining lease for chrome ore in the best chrome area so far as Orissa was concerned and so far as this ore was concerned. This area containing the best quality of chrome ore was leased to this firm on condition that it would establish a ferro chrome plant. The licence was given in 1958 from the Commerce and Industry Ministry. But now it is 1961. Though the lease has been given to this firm and the licence has also been received by them, the firm has not set up a beneficiation plant. Therefore, let us not make it a condition. The firm which got the ore on this condition is now exporting it. It says that the plant has not yet been set up because the Government of India are

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not giving foreign exchange. That is how they escape.

Take the case of Tatas. They have got the best chrome ore in Orissa. But whenever it suits them, they work the mines. Otherwise, they keep them idle. They never raise ore. They raise it only when it is profitable to them because they have got mines in different places. So this condition should not be made while granting licences.

I cannot go in detail into all the modifications suggested by my hon. friend, but I will touch on the major ones. Take the modification regarding sub-rule (1) to rule 13, "omit 'or deemed to have been refused' ". It is a very good amendment which can be accepted. Then I come to sub-rule (4) of rule 14. The suggested modification is that the holder of a prospecting licence shall be entitled to the grant of a mining lease over the area so held under prospecting licence at his option. This cannot be accepted. When the Government of India or the State Government are granting the application for a licence, I do not know if he can be given the option to decide whether to take the entire area in lease.

Shri Vidya Charan Shukla: It has already been granted under the original Act. So I withdraw that amendment.

Shri Chintamoni Panigrahi: Since it is already there in the original Act, the question of acceptance or rejection does not arise.

Then sub-rule (1) of rule 15. It is said that if the default is on the part of the State Government, then such a deed shall be deemed to have been executed. It may sound very good to place and individual entrepreneur on equal terms with a State Government. But suppose the deed is delayed. We

must try to expedite it. But not the other way, that it will be taken for granted that the deed is executed. The State Government is not a District Board. It is not as if the hon. Minister, Shri K. D. Malaviya, will just pass orders and the State Governments will approve of them. I think no State Government will tolerate such a situation if the Central Government try to behave in this manner. The State Governments function under their own legislatures and they know how they should deal with their mineral resources and how licences are to be granted. The Central Government come in as an advisory body trying to help promote the growth of industries in the States. Therefore, I do not think this modification should be accepted.

Sub-rule (3) of rule 24 refers to disposal of applications for mining lease. There must be a time-limit. If it is rejected or if the time-limit is being extended, the reasons should be given to the parties.

Again, preference is being given to those who have beneficiation plants or who agree to set up such plants. I have already spoken on this point. I think this condition will be really harmful to the interests of the small mine-owners.

Then with regard to dead rent, if the renewal of the mining lease is delayed by the Government and is consequently granted with retrospective effect, then no dead rent shall be required to be paid by the lessee in respect of such retrospective period. Dead rent is different from royalty. One can say that royalty should not be charged for the period a mine or lease was not worked, because no ore has been raised. But simply because there has been delay in getting the application renewed, the claim cannot be made that no dead rent shall be

required to be paid. No State Government will agree to deplete its resources in this manner. I feel dead rent is a thing should be paid and it is completely different from payment of royalty.

Then again, in the absence of ready market for low grade ores, the lessee who is operating or has undertaken to set up beneficiation plants should properly store such low grade ore for future beneficiation. This is a good suggestion, no doubt. My hon. friend, Shri Vidya Charan Shukla, was Chairman of the Committee which the Government of India appointed to look into this question. There must be some such encouragement or provision, but you cannot make it a condition in the mining lease. There are practical difficulties in storing these low grade ores. If small or big mine-owners want to store up for future use 40 per cent FE iron ore, there would not be room enough for doing so. They will have to have special allocation of funds from the Government of India for storing the ores, so that in the future, in ten years or so, they may set up beneficiation plants and the ore can then be used. I think no mine-owner will ever agree to spend so much money for storage accommodation for these low grade ores. It is a good thing if they can do it. I will be very happy if they do it. But I think it cannot be made a condition in the mining lease.

I will deal with one or two things more. One is regarding sub-letting. Shri Tyagi said something about it. Even the present rules approve of transfers, but there are two kinds of transfer. Application for transfer of mining leases may be classified into two categories: firstly, those which are made for speculative considerations, and secondly, those where a lessee may desire to transfer his leasehold due to genuine business and financial considerations. In the former category are the lessees who are not genuinely interested in doing

mining work, but are engaged in trading upon leases for a heavy premium. Obviously, if such persons are given a free hand, the mining industry will suffer very much. I know there are many cases where because a certain individual has got good connections with the Ministry or the Government, he gets a mining lease and then he transfers to somebody else; actually he trades in it and gets a commission. Therefore one cannot say that the Government should allow all kinds of transfer of leases. I think that will have a very adverse effect.

I think almost all the State Governments have abolished intermediary rights with regard to the transfer of leases. I think, therefore, that the Government should not create a second intermediary interest in the field of mining by giving this power to the applicants or leaseholders to transfer their lease according to their own sweet will. I think that cannot be done. The Act and the rules already provide for genuine transfers, but all cases of transfer cannot be encouraged for the promotion of the mining industry.

In the actual working of the rules it is observed that there is conflict of technical opinion in respect of the assessment of mineral potential of the same area by the survey organisation of the State Government and the Geological Survey of India or the Indian Bureau of Mines. The State Governments maintain their own separate organisations. They survey a particular area before a lease is granted, and they say that so much is the estimate in that area and so much the content of iron or other ore. When the application is sent to the Central Government and is processed through the Indian Bureau of Mines, the experts there say that the recommendations of the State Government cannot be accepted. How is it possible? Therefore, either take the recommendations of the State Government at their face value regarding the

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estimate and the quality of the ore, or ask the State Government not to assess it and you yourself assess it. I think no State Government will agree to that proposal. Anyhow, efforts should be made to avoid such conflicts.

There are many lacunae in the modifications suggested. The rules do need revision and some of the suggestions of Shri Shukla may be accepted, but the revision should not be in such a piece-meal way. I submit the hon. Minister should give thought to this problem raised by Shri Shukla. I hope the rules will be made efficient to meet the needs of the industry.

Mr. Chairman: The hon. Minister desires about 40 minutes to reply. I will call Shri Sarhadi provided he makes his points in five minutes.

Shri Ajit Singh Sarhadi (Ludhiana): Just five or six minutes, not more. My submissions on the modifications of the rules would be limited to the legal aspect only. I believe there are certain rules which need clarification, there are others where some preciseness and exactness are called for; there are still others which should be made to be more in consonance with fairness and the principles of natural justice. I believe the Committee on Subordinate Legislation has gone into the rules and made certain recommendations which are under the consideration of the hon. Minister.

Sub-rules (1) and (2) of rule 11 lay down that if a reply to the application is not received within the stipulated time, it would be taken as a refusal. Of course, there are two different views, that of Shri Shukla and that of Shri Panigrahi, but I would content myself with saying that the rule should be positive, and not negative as at present. This is not fair at all. There may be justification for the view of Shri Shukla

that if the reply is not received in time, it should be taken as acceptance. Such a provision exists in Acts that where applications are made for sanction of houses, buildings, etc., if the reply is not received within the specified time, it should be taken as sanctioned. I do not plead either way, but I simply want a clarification. If an application is rejected, the reasons must be given, as that in accordance with fairness and the principles of natural justice.

This equally applies to rule 24(3), where also it is laid down that if an application is not replied to within a certain period it should be taken as a refusal. Mere non-replying should not be taken as refusal. The reasons must be given.

In rule 11(3) you will find that the State may, for reasons to be recorded in writing at the time of renewal, reduce the area applied for. If the reasons are to be recorded, they should be communicated to the party concerned. What is the necessity of recording the reasons if they are not to be communicated to the aggrieved party? I think Shri Shukla's suggested modification is just and proper and should be accepted by the Government.

Rule 28(5) also lays down that the reasons should be recorded. The same argument applies here. There is no beauty in having this provision that the reasons should be recorded unless they are communicated to the aggrieved party, so that he may seek such remedies as are open to him.

Under sub-rules (1) and (2) of rule 27 it is expected that the payment of the dead rent and royalty, where the sanction is given, should be with retrospective effect. This is most unfair. Where the sanction has been delayed for a long time, and the mine has not been worked, expecting payment for the period would not be fair. Certainly I would agree with the

suggested modification of Shri Shukla that where the application is subsequently granted with retrospective effect, the lessee should not be required to pay the rent retrospectively because that would not be fair to him.

Rule 33 needs a lot of clarification, because it is absolutely vague. It lays down that when a mining lease is granted by the State Government, arrangements shall be made at the expense of the lessee for the survey and demarcation of the area granted under the lease.

This is not clear; nor precise and exact. Who is to make the survey and the demarcation? Is it the lessee who is to do it or is it the Government? Obviously and ostensibly it is Government. Then it should be clarified and said that Government would make the survey and demarcation and recover the cost from the person.

There is an additional point to which I would draw attention. Section 5 of the principle Act lays down that certain leases are to be given by the State Government with the sanction of the Central Government. Those mines are mentioned in Schedule I.

Here, again, I would submit that a specific period must be laid down in the rules within which the State Government must get the sanction of the Central Government so that the applicant should not remain in suspense. There, an additional rule is necessary fixing the period within which the State Government must get the permission of the Central Government.

Shri K. D. Malaviya: Mr. Chairman, Sir, incidental to the number of motions for modifying the rules raised by me hon. friend, Shri Shukla, a large number of comprehensive and basic questions have also been raised by some hon. Members. It is hardly possible for me to refer to those aspects within the limited time; but they are really important.

I am particularly grateful to Shri Shukla that he has enabled all of us
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to pay our attention to these rules and also for focussing public opinion on the importance of these rules. I would, not be able to refer to other points that have been raised except one which was raised by my hon. friend, Shri Tyagi when he referred to the important question, earning foreign money through mineral ores. He emphasised the aspect of export trade of mineral and brought before us the importance of this.

There is no doubt it is a very relevant question. I must emphasise again the great role that export trade of mineral ore is going to play in solving our problem of repayment of debts and of finding revenues or moneys from abroad to help our development schemes.

As the House may be aware, so far as State trading is concerned, 80 per cent of it is on account of mineral ores. It is only about 20 per cent that accounts for other small items. So, its importance cannot be minimised. And, I entirely agree with my hon. friend, Shri Tyagi that we should pay great attention to this aspect of our programme. Government should develop more mines as far as possible and earn more money in order to pay or earn some foreign money for our developmental schemes.

I will, therefore, confine myself only to the motions that have been made by my friend, Shri Shukla and certain remarks made by other friends here in connection with those amendments.

The most important of these motions is rule 11(1) and (2) where the time limit has been stated as 9 months—that is the time given to the State Governments to dispose of the applications, after which time they are deemed to have been rejected. I am sorry I cannot accept this motion. I would produce the following arguments for it. Firstly, the history should be gone into. But before that, I should remind the House of certain facts. The mineral ores belong to

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the State Governments. They are the proprietors of this property. We act only as agents and help in conservation, scientific prospecting and mining and in taking an overall view of the development of these mines. So, we only act as helpers to State Governments and as such are acting as agents.

The second point to remember is that the minerals are a wasting asset. It is not as if we just dispose of a licence for industries or give a contract to a certain party for doing some job as an industrialist or as a commercial man. Here, a particular party wants a prospecting licence and consequently a mining lease for about 20 to 40 years, in order to exploit a wealth which is a wasting one in its fundamental character. We will never get that mineral again; we will never regenerate that wealth once we exploit it, and if we exploit it in the wrong way, we will lose plenty of national wealth. Therefore, in dealing with a particular party in order to dispose of his application, we must assure that he is the proper party and he does not waste it sooner than what is necessary for him to do. A long period has to be granted to him for exploitation of the mines, and in this, both the State Governments and the Central Government have to be cautious. We therefore cannot be in a hurry and the State Governments should not be hustled into granting a prospecting licence or a mining lease. This question has been worrying us, particularly me, for about seven to eight years, because I have had something to do with mining and prospecting and with all these rules for sometime.

I was very impatient and sometimes I used to get irritated at the fact that the State Governments are taking pretty long time. It was the general practice for the State Governments to take years and years to dispose of applications for prospecting. It is not nine months. It is two years or three years and sometimes four years, and no decision would be taken by

the State Governments. No doubt, therefore, a lot of time was being taken by the State Governments. But they were within their rights we only came in to help the State Governments and to tell them. You should not take more time than you consider legitimate to gather all the information, find out all about the parties and see whether the party is a sound one or not; make enquiries at the district level, see to its financial conditions, etc. There ought to be a limit to the time which you spend." We thought it should be nine months. Previously, it was 18 months and also 27 months. They had all that time. Even then, there was no finality about it. What we have done is, if in nine months, an application has not been disposed of by the State Governments, automatically the application will come before the Central Government as an appeal. Therefore, the emphasis on nine months and no more time will be given to the State Governments for disposal. Therefore, it is in this context that we have to consider the implication of the word "rejection", and understand it. Once we appreciate this aspect, then we will see that there is not very much in the other amendments. I can dispose of them in ten to 20 minutes. (*Interruption*).

Shri Vidya Charan Shukla: May I interrupt the hon. Minister for a minute?

Shri K. D. Malaviya: I would like him to be patient. I do not agree with the amendment. I have had several discussions with him. I am

sorry I am not able to agree with him. I know that a mine owner is very anxious to get his application disposed of by the State Government. We should give 9 months to the State Government. If a decision is not taken by the State Government, it should be deemed to have been accepted or granted is a position which is not acceptable in the interest of mining, conservation, etc. I am sorry I will not be able to accept this. Nevertheless, I do recognise that there has to be a sense of time-limit imposed on the State Governments also. All that we can do is to write to them, and remind them of the feelings of this House and tell them that they should take little time as possible.

There are other aspects also to which my friend has drawn my attention both here and in the informal talks we had. He said, sometimes State Governments are not fair to a particular party and so on. We cannot base the formulation of our rules merely on the presumption that all State Governments are bad and resort to nepotism or favouritism or whatever you may call it. It is a process of patience and perseverance where the State Government has to get experience by its own working. All that we can do is to help them and to remind them that they are doing something wrong when we think they are really doing something wrong. So, considered in that context, I am sorry I will not be able to accept motions Nos. (1) and (2).

I am prepared to accept motions Nos. (3) and sub-rule (3) of rule (11). I also accept motion No. (5) relating to sub-rule (1) of rule 13. My hon. friend has proposed that the fee paid by the applicant shall be refunded to the applicant where an application for the granting of a prospecting licence is refused. That too I will accept.

I cannot accept motion No. (7). But may I point out that nothing prevents the Government from again con-

sidering all these rules and from time to time amending these rules, conforming to the wishes of hon. Members. As we learn by experience and by exchange of experiences between the State and Central Governments, we always take the first opportunity to amend these rules. There seems to be no urgency about the acceptance of any rule just now.

Shri Tyagi: When once a lease is granted, why should it not be executed immediately?

Shri K. D. Malaviya: I am proceeding systematically. I am coming to that. Motion No. (7) says:

“Provided that in respect of the execution of the deed referred to above within the prescribed period, the default is on the part of the State Government or any of its authorities, then, such a deed shall be deemed to have been executed.”

This amendment to rule 15, sub-rule (1) is not acceptable to me. The delay in the execution of a prospecting licence or a mining lease deed on the part of the State Government could be on different grounds. The State Government cannot be put at par with the lessees, as my hon. friend suggested. Some of the reasons for the delay may be beyond the control of the State Governments. In any case, the fact that the prospecting licence or mining lease has not been executed cannot be ignored, only because a certain period has elapsed. This is a legal document, and therefore we cannot take such a light view of it. Nevertheless, Sir, in deference to the wishes of my hon. friend, I am prepared to draw the attention of the State Government once more to this aspect and the wishes of the hon. Member.

About sub-rule (3) of rule 24, the same arguments that I have just now offered hold good for that.

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Now I come to the question of beneficiation of low grade ores—sub-rule (3) of rule 24—where the amendment proposed is:

“Preference shall be given to the mine owners who are operating beneficiation plants in the grant of mining leases and to those who undertake to set up beneficiation plants within three years of the grant of the lease.”

Well, I consider that what my hon. friend Shri Panigrahi said is relevant to the issue. Therefore, it will be difficult for me to accept the modification as has been suggested by my hon. friend, because this would take away the discretion of the Government and thus infringe section 4 of the Act. In its present form, therefore, it will be difficult for me to accept the amendment. However, looking to the importance of emphasising the programme of beneficiation by the miners we should do something. We are in favour of beneficiation of low grade ores and we will do something to modify the present rules. The intention behind the motion is to give preference. As to what the actual wording will be, well, I will consult my hon. friend Shri Shukla before finally making some suitable changes in this.

Sub-rule (1) of rule 25 is also consequential to the previous rules and therefore will not be acceptable to me.

Then I come to clause (c) of sub-rule (1) of rule 27. Here the modification suggested is: to add at the end of the proviso:

“and that if the renewal of the mining lease is delayed by the Government and is consequently granted with retrospective effect, then no dead rent shall be required to be paid by the lessee in respect of such retrospective period.”

Delays do occur, and perhaps under the limited circumstances today, it will be difficult for me to restrict this delay or to impose any decision on the State Governments for the reasons I have stated earlier.

Shri Tyagi: It may be kept for consideration.

Shri K. D. Malaviya: I cannot keep it for consideration because of various reasons. But we will do something. This motion relates to the problem of payment of dead rent over a retrospective period. Normally such a situation should not occur at all because rule 28 requires the parties to apply for renewal for a mining lease at least six months before the date of expiry of the lease. Rule 24(2) requires that an application for the renewal of a mining lease shall be disposed of within 90 days from the date of its receipt. Therefore, if both the parties as well as the authorities follow the prescribed time limit the decision on a renewal application should be known at least three months before the expiry of the mining lease. If the lease expires without an actual order for renewal having been intimated to the lessee a position of uncertainty certainly arises in the lessee not having been formally asked to vacate. Now, the subsequent passing of a renewal order cannot retrospectively eliminate this uncertainty which would have already occurred to the detriment of mining production and also possibly creating labour problem. Instead of providing for exemption of dead rent, as proposed by the mover, however, the best way to meet any such contingency, as well as really to compensate Government, is to provide that if the application for renewal is not disposed of before the date of expiry of the lease, the lease shall stand extended till the date of such disposal. This end can be achieved by a suitable provision in rule 24, as well as in part 8 of Form K. The form can also be modified accordingly. This

alternative suggestion will, I hope, be acceptable to the mover. Even if it is not acceptable to the mover, we will find some other method to satisfy him, because I do admit that this delay should be accepted.

Shri Vidya Charan Shukla: That suggestion is acceptable.

Shri K. D. Malaviya: If it is acceptable to him, well, we will incorporate this.

With regard to clause (m) of sub-rule (1) of rule 27, that is acceptable. It says:

"(n) in the absence of ready market for low grade ores, the lessee|lessees who is|are operating or has|have undertaken to set up beneficiation plants, should properly store such low grade ore for future beneficiation;

(o) the lessee|lessees shall be required to put up a beneficiation plant of suitable size if so recommended by the National Ore Dressing Laboratory."

It is a harmless thing. Why should it not be accepted?

Shri Chintamani Panigrahi: If it is acceptable to the hon. Minister why was it not incorporated so far?

Shri K. D. Malaviya: But the suggestion given in sub-rule (o) is not acceptable to the Government. We accept only the suggestion in sub-rule (n),

With regard to his motion No. 13, it refers to the addition of a proviso after clause (n) of sub-rule (2) of rule 27, as follows:—

"Provided that in respect of renewal of the mining lease, the lessee shall not be required by the State Government, to pay any compensation for surface disturbance or obtain any permission to enter upon the area for surface

occupation in respect of the whole or that much part of the area covered by the renewal of the lease in regard to which such conditions had been duly fulfilled by the lessee at the time of the 'original grant of the lease.'

For the present, I cannot accept it. But, later on, we can give some further thought to this and see what can be done.

With regard to sub-rule (5) of rule 28, motion No. 14, he wants the reason to be recorded and communicated to the applicant. Well, I accept that the reason should be communicated to the party.

Motion No. 15 relates to the addition of a proviso to sub-rule (1) of rule 31, as follows:

"Provided that in respect of the execution of the lease deed referred to above within the prescribed period, the default is on the part of the State Government or any of its authorities, then, such lease shall be deemed to have been executed."

I regret, I cannot accept it for the same reasons which I have mentioned earlier.

I am prepared to accept his motion No. 16 which says that when a mining lease is granted by the State Governments arrangements shall be made by the State Governments at the expense of the lessee for the survey and demarcation of the area granted within a month of such grant.

On motion No. 17, we can do something later on, if it is acceptable to the House, because we think that after a little more consideration we should come forward with certain amendments.

Coming to his motion No. 18, at present I cannot accept it. I will suggest to my hon. friend to wait for a little more time till we have given some more consideration to it, because

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it is quite possible that we might feel the necessity of amending sub-rule (1) also in some way.

I regret I cannot accept motion No. 20 which seeks to omit the Explanation to rule 54 because this Explanation has to stay.

I will not take much time now. I will try to finish in time.

With regard to the topographical maps being supplied by the IBM and not by the Survey of India, I admit that there are inconveniences experienced by the applicants sometimes mostly because maps are not available. When maps are not available you just cannot help it. All that I suggest now to do is that we will agree to suitably changing the application form to provide that in case Survey of India is not in a position to supply topographical map to the applicant such non-availability certificate should be attached to the application and would meet the requirements of the application. So, for the time being we shall accept this certificate saying that the map is not available. Later on we will see what can be done and how soon the maps can be made available.

Shri Tyagi: What is the number of that amendment?

Shri K. D. Malaviya: It is motion No. 23.

Motion No. 30 regarding particulars of existing or created dumps of ore also I will accept as it would give additional information to the Government of the quantities of ores lying as dumps.

Then some of the motions he has agreed to withdraw. Therefore I need not refer to them. Now I come to motion No. 32. By this he wants to make a provision for allowing inspection of workings, survey and prospecting. This also I will accept.

The second part of motion No. 32 seeking to insert the word 'prospecting' after 'surveying' in clause 7 in Part VII of Form K of Schedule I, that too I shall accept. There he has suggested some change in the form.

An Hon. Member: What about motions Nos. 29, 30 and 31?

Shri K. D. Malaviya: I will not be able to accept that.

With regard to motion No. 35 by which in Part VIII of Form K of Schedule I....

Shri Chintamani Panigrahi: Do you accept 2A?

Shri K. D. Malaviya: Yes, 2 I have accepted.

I hope he will not press motion No. 35 because of the reasons which I have already referred to earlier in my speech. It says here:

".....lessees shall not be required to pay any dead rents, rates etc. in respect of such retrospective period. . . ."

This will not work. I hope he will not press for it.

I have disposed of all the motions that he has made. In the end I will again refer to certain aspects of Shri Tyagi's references because they are not mostly in the form of modifications. He said something about limestone and referred to the difficulty that he is facing in his constituency. There he wants me to come to his rescue in his constituency. I hope he will come to my rescue in my constituency. But it is not a question of coming to the rescue of each others' constituency. It is a question of treating limestone as a major mineral. We have already decided that limestone for industrial purposes will be treated as a major mineral. As regards the way in which it is

being reported to be misused, I know after all every chemical process is a result of burning. So, if any party wants limestone to be treated as a minor mineral and to be disposed of in that way by the State Government, it is not desirable. We shall see to it that this thing is not done. We shall also find out what steps can be taken in order to prevent such misuse of valuable minerals. With regard to succession and all that, it is not only the mining leases where this is the trouble. It is everywhere. Where a succession certificate is available, the question is disposed of in the proper way.

17 hrs.

With regard to magnesite and giving preference to co-operative ventures, the House is already aware that it is the policy of the Government to give preference to a co-operative society if it can be organised in the proper way. We have received certain applications from co-operative societies for mining leases or prospecting licence. My difficulty is, I am not satisfied that the Members of the society are really taking the work as seriously as they ought to. After all, mining is a difficult work. A few people collect some money and some partners and just want to carry out mining work. It is not like that. It cannot be done. If any co-operative society wants to deal with it in a light manner, the Government may not accept that. They will be disappointed. Otherwise, normally, if a society is equipped technologically, financially and in other ways, surely, we shall give preference to a co-operative society.

With regard to magnesite exploitation, a magnesite mine has been prospected in the U.P. recently in the Almora area. Magnesite is proposed to be used for refractories for our steel plants. The Government have taken a decision to have their own project for a refractory making unit. Who will produce the magnesite

ore, is the question. Generally, we would like to get it done ourselves. If there is any reasonable proposal where the Government retains the control of the mine and can assure the refractory unit of expeditious delivery and economic functioning of the magnesite mine, the proposal can be considered. Otherwise, normally, the Government would do it. If there is a co-operative society coming forward which is technologically sound, we shall give preference to it.

In the end, I will again remind my hon. friend Shri Vidya Charan Shukla who has done such a service by drawing our attention to these rules, that we can amend these rules whenever we like. As we gain experience and we get advice from the State Governments, we make suitable changes in our Mining rules. One thing must not be forgotten and it is that we have to amend these rules in close consultation with the State Governments, because, the State Governments are the real proprietors of these mines. We hope that our mining activity will increase as a result of the collaboration between ourselves and the State Governments and also the private sector which has got experience in mining.

Shri Tyagi: May I make a suggestion? Instead of taking votes on these amendments, would it not be appropriate that the rest of the amendments, Shri Vidya Charan Shukla may withdraw and the Minister may agree to come out with an amendment himself voluntarily on the lines of the discussions we have had here. He may issue another notification amending these rules instead of these amendments being accepted here and again discussed in the Upper House. It would be better that the hon. Minister may, in the light of our discussions, as he is authorised by law, to amend the rules, in the light of what he has accepted and put it in both the Houses for consideration, if he chooses to do so.

Mr. Chairman: I think that was the assurance that the hon. Minister gave.

Shri K. D. Malaviya: It will be easy for me to do that, if my hon. friend accepts that. I have already indicated where we shall accept. There are certain motions where I have promised consideration. After consulting friends, we shall again see what modifications we can make. Otherwise, we cannot accept. In a consolidated way, we can provide for such changes.

Shri Tyagi: Otherwise, it will take time.

Shri Vidya Charan Shukla: I have a submission to make. The rules which have already been accepted by the Minister will be the only amendments which I will press for acceptance of the House. There will be delay if they insist on consultation with the State Governments.

Shri K. D. Malaviya: I will not consult the State Governments in regard to those amendments which I have accepted.

Shri Vidya Charan Shukla: Those will be the only amendments which I will press for vote here. The rest, I shall withdraw. And I shall do so in the hope that...

Mr. Chairman: The hon. Member has not followed what Shri Tyagi has suggested. Shri Tyagi wants to get the whole thing expedited, and, therefore, he suggests that without reference to the other House, Government themselves should frame these rules with the modifications that are accepted.

Shri Vidya Charan Shukla: Knowing a little, as I do, about this matter, I would say that Shri Tyagi's pious hopes are not correct. The most expeditious thing is to get them accepted here in this House rather than to leave it to the discretion of Government, because these rules have already been delayed for three years.

Shri Tyagi: Now, after the House has indicated its wishes, and the hon. Minister has openly accepted those ideas, would there be any delay? Otherwise, according to the scheme of Shri Vidya Charan Shukla, all these modifications which are accepted here will require to be discussed and accepted in the Upper House also. When they will get the time for this, God alone knows. I, therefore, suggest that my hon. friend might be content with the assurances given by the hon. Minister. These assurances given on the floor of the House are as good as rules, and everybody will know them.

Dr. M. S. Aney: This session will come to an end on the 8th instant. There are only two days more left. If the hon. Minister is going to lay these rules on the Table of the House again within these two days, then that would be all right. Otherwise, it would automatically be deferred to the next session, and we do not know what might take place then. So, that is one danger there.

Shri Tyagi: They need not necessarily be discussed in the next session. If they are there before the House, and no objection is raised, then automatically they are passed.

Shri Vidya Charan Shukla: There might be a discussion also. Anyway, I would like the motions which are now accepted by Government to be put to the vote of the House, and I would withdraw the rest.

Shri Tyagi: Then, these will have to go to the other House also.

Shri K. D. Malaviya: That will be in the next session.

Shri Vidya Charan Shukla: I would like to make only one point, namely that motion No. 13 is only a matter of clarification. It is most unfortunate that the hon. Minister did not find enough time to study these amendments properly; otherwise, I am sure he would have accepted most of

them, because some of them which he has not accepted are only by way of clarification, and they make no addition to or deduction from the present rules. Anyway, I would suggest that he pay special attention to motion No. 13. The amendments or motions which he has accepted without hesitation should be put to the vote of the House. I would not press the rest, in the hope that they will be considered favourably later on by Government.

Shri K. D. Malaviya: That means that it will have to go to the other House.

Shri Chintamonji Panigrahi: Is it a personal affair between the hon. Member and the hon. Minister? We cannot understand what is going on between them.

Shri K. D. Malaviya: I am trying to persuade the House to take an expeditious view of the whole thing.

Mr. Chairman: The point is very clear. In respect of some of the amendments, the hon. Minister has stated that he agrees with them, and he has promised to make suitable amendments in the rules on his own. In view of that promise, it is open to the hon. Member to withdraw the motions, or to press the motions or not to press the motions. How does the position stand now?

Shri Vidya Charan Shukla: I would like you to put the motions formally to the vote of the House.

Mr. Chairman: I might also recall that we have got a Committee on Government Assurances, and we get periodical reports from them on the assurances given by the Ministers, as to whether they are fulfilled or not.

Shri Vidya Charan Shukla: I would like to submit my position after I hear from the hon. Minister on motion No. 13.

Shri K. D. Malaviya: I have nothing more to add to what I have already stated.

Mr. Chairman: The hon. Minister has stated that in regard to certain amendments, he would consult the hon. Member before he takes a final decision.

Shri K. D. Malaviya: I have promised consideration. I am not accepting them now.

Shri Vidya Charan Shukla: If it is the wish of the House, and if Government have accepted these motions, then I would not press them for the vote of the House.

Shri Tyagi: All success to Shri Vidya Charan Shukla!

Mr. Chairman: Has the hon. Member leave of the House to withdraw his 35 motions?

Hon. Members: Yes.

The motions, were, by leave, withdrawn.

17-04 hrs.

PAKISTANI NATIONALS IN INDIA*

Mr. Chairman: The House will now take up the half-an-hour discussion regarding Pakistani nationals in India.

Before I call Shri Prakash Vir Shastri, I would like to mention that only half an hour is allowed for this discussion. The hon. Member who initiates the discussion may take ten to twelve minutes, and the hon. Minister may take ten to twelve minutes for reply. So, other Members can only take a limited time.

श्री प्रकाश वीर शास्त्री (गृङ्गाव) :
 सभापति महोदय, पीछे जब माननीय पंत जी
 गृह मंत्री थे तो उस समय गत वर्ष मैं ने लोक-
 सभा में एक प्रश्न पूछा था कि हमारे देश में
 पाकिस्तान से आये हुए कितने नागरिक

*Half-an-hour discussion.