

16.19 hrs.

JUTE PACKAGING MATERIALS (COMPULSORY USE IN PACKING COMMODITIES) BILL - Contd.

[English]

MR. CHAIRMAN: Now, we take up the next item. That is, item No. 12 further consideration of the following motion moved by Shri Ram Niwas Mirdha, on the 5th May, 1987, namely:—

"That the Bill to provide for the compulsory use of jute packaging material in the supply and distribution of certain commodities in the interests of production of raw jute and jute packaging material, and of persons engaged in the production thereof, and for matters connected therewith, as passed by Rajya Sabha, be taken into consideration."

The total time allotted for this Bill is 2 hours. The time already taken is 1 hour 3 minutes. Now, we are left with only 57 minutes. Mr. Indrajit Gupta has already taken 19 minutes. He is now requested to conclude his speech.

SHRI INDRAJIT GUPTA (Basirhat): I will conclude within two or three minutes. I was emphasising yesterday the point that at the present level of prices, jute is no longer a profitable proposition for the farmer of West Bengal and the other neighbouring States. Even a survey organisation like ABC consultants have found that today the farmers are cultivating jute incurring cash loss. It is bound to decrease the cultivation of jute. Apart from this recurring problem which the farmers have been facing over the years, now has come this new move to replace jute in the manufacture of bags by the synthetic PVC fibre. It means there will be a further diminution in the demand of jute, a further decline in prices and, therefore, make the cultivation of jute very uneconomic for the farmer.

Therefore, now this Bill that has come, I am not opposing it. I support it to the extent it goes, to the extent that if it is really implemented it may partly offset the damage which was going to be caused to the jute industry, the jute workers and the jute farmers by this reckless induction of synthetics during the last two to three years for which I hold the Government entirely responsible. They could have prevented it if they wanted. But they allowed it to go on.

Finally I want to say —I have made my main points yesterday — that this must be seen in a somewhat larger context that instead of this so called minimum support price for jute, which is not remunerative at all, Government should now consider, along with other practical measures, which they are always talking about, that really remunerative price based on the actual realistic cost of production that the farmers have to incur nowadays, such prices should be assured to them and something which was decided some time ago but which is not being implemented, that the jute mills must be made to make their purchases of raw jute through the Jute Corporation of India. What is the use of setting up the Jute Corporation otherwise? The mills continue to ignore JCI and they continue to buy direct through their own middlemen and agents and the JCI says that nobody is taking the jute. Therefore, the mill purchases must be made through the JCI.

I would say that this NJMC which is a nationalised sector, a very small sector of only six mills, five in West Bengal and one in Bihar, why should this sector not be expanded? I cannot understand. Even if we are not willing to nationalise all the jute mills, there is no reason why this NJMC having come into existence, the Government having reconciled itself, after all these years, to some nationalised sector operating within this industry. I would press for further extension of this NJMC to a number of other mills also, if they are to be saved, if they are not to be left to the vagaries of the mill-owners who are actually no longer interested in this industry. Shri Ram Niwas Mirdha should know that

mill-owners are no longer interested in running this industry and developing it. They are interested in making money while they can, out of the jute mills and investing that money in other industries, somewhere in other parts of the country. That is what they have been doing. All this talk about Mr. Rajiv Gandhi's offer of Rs. 100 crores or something, for modernisation, I am afraid, is not going to work at all because if they were interested in modernisation, the mill-owners could have taken some steps much earlier. In fact, the National Industrial Development Corporation had a scheme of offering them loans on very liberal terms for modernisation purposes for many years. But jute owners never availed of them. They are not interested. They do not care if this industry goes to the dogs or whatever happens to it. They are interested now in other industries. This is used only as a milching cow and not for any other purpose. If these mills are to be saved, if this industry is to be saved along with the workers and farmers, then the NJMC must be expanded to cover some other mills also.

Then, I would say, Sir, that modernisation, even if the Government manages to bring about certain measure of modernisation atleast in their own mills, in the nationalised mills, the modernisation should not be done in a way which will lead to large-scale retrenchment of workers. As a matter of fact, what are called the preparing, batching and spinning operations in the jute mills are already modernised. There is nothing further to modernise. The only operation which is left to be modernised is Weaving Department that is where the looms are. And, if ultra-modern looms are to be imported from outside and installed in these mills, well, they will not be able to sell the product because there is no demand for it. In fact, the old looms are, with the addition of what are called the automatic shuttles and some modifications in the machines, working very well. So, I think that one should be careful, in the name of modernisation, not to impose large-scale retrenchment on these workers. I would just remind the House

that the majority of workers, the overwhelming majority of workers in the West Bengal mills, they have come from a number of other States. It is not the question only of people from Bengal working there. The majority of people from Bihar, from U.P., from Orissa and from so many States, they are all working even from your State there are so many people working in the jute mills in West Bengal. They have come there in order to earn their livelihood. Now, in the name of modernisation, if retrenchment takes place on a big-scale, it will be a tragedy for these people who are very poor people indeed.

Finally, I would say that diversification of products is an area which has been talked about a lot for many years but nothing has been done. They go on producing only the standard products which were there at the time of the British when the industry was founded 150 years ago. The same sacking, the same hessian, the same bags, the same twine, they will not go in for any new products at all because it means some research, it means spending some money on research and some diversification. They are not interested in that. Even in a small country like Vietnam which has a very small jute industry, I found, Sir, when I was there some years ago, that they are making such a number of attractive products from this jute—all sorts of household furnishings, curtains and shoes even, ladies shoes and hand-bags and so many things. But, in our country, these jute-mill owners are not interested in going in for all these research and diversification. Why not the nationalised sector, under the NJMC atleast undertake some diversification and show to the people that what can be done with the help of Jute? Without this, the market will never be protected and never be preserved.

Lastly, I would say that one factor which is ruining this industry is the speculation. This is one of the most speculative, highly speculative businesses in the world. The consumer can never know for sure whether the prices will shoot up into the sky or fall, the next year. This is such a speculative

[Shri Indrajit Gupta]

trade and in the name of future trading and futures markets, it is not regulated or controlled properly. This speculation has been the doom of this jute industry and specially our foreign purchasers who used to buy much larger quantities of jute goods previously, they have said: "We cannot contract from year to year because we do not know what the prices are going to be, because of high rate of speculation"... This is something where the Government should have intervened and tried to regulate and control, long long ago. But, unfortunately, Sir, I want to say at the end, that this industry has been a long history of complete surrender by the Government to the dictates and the wishes of the Jute-Mill Owners, specially the Indian Jute-Mills Association who have had their own way all along. They have fleeced this country; they have fleeced the workers; they have fleeced the farmers and they have ruined the industry. They have ruined the export markets and now we are reduced to this stage where the Government ironically start bringing in imported synthetic materials to finish off what little remains of the jute industry. And then, I hope this Bill will be made really effective and implemented. In the Advisory Committee, representatives of the farmers and representatives of the workers will find a place. Otherwise, it will simply be a cockpit of quarrels between the IJMA people and the synthetic-bag producers and that will not do any good to anybody in the long run.

[Translation]

SHRI RAM RATAN RAM: Mr. Chairman, Sir, I wholeheartedly support the 'Jute Packaging Materials (Compulsory Use in Packing Commodities) Bill' presented by the hon. Minister. While supporting the Bill, as other hon. Members have also done, I want to submit that the use of synthetics has seriously affected jute production as also the agricultural labourers and farmers. India is an agricultural country and our economy is particularly dependent on agriculture. Therefore, the Govern-

ment should assist the farmers and labourers engaged in jute production.

Just now our friends talked about West Bengal. Jute cultivation is undertaken on large scale on the other side of the Ganga in Northern Bihar also. It involves hard labour on the part of farmers and agricultural labourers. Jute has been cultivated here since quite long time and jute products are used in our mills also. But today we see that the consumption of jute products is declining gradually and has affected our farmers and labourers. Jute is being replaced by synthetics. It is the policy of the Government to encourage the Small Scale Industries and therefore, we should not compare the requirements of jute production with that of the synthetic production for it will adversely affect jute cultivation. The textile mills are not producing jute textiles and other jute products nowadays. The hon. Minister will not deny that jute cloth used to be available on very cheap rates and is useful to the farmers and other poor section of the society. Apart from this, the demand for the jute products in the cottage industries and for domestic purposes is declining today. As a result, it has affected the poor cultivators and they are not cultivating it any more. The jute mills are closing down gradually and in their place, synthetics are being manufactured. About 2.5 to 3 lakh workers and agriculture labourers are employed in this industry and they can not be rendered jobless. So far as consumption of jute is concerned, you have brought this Bill for compulsory use of jute in the jute mills and also for compulsory use of jute products for packing in all industries. We thank you for it. Many of our hon. Members have proposed for the constitution of a Jute Board and I also support it. I want that the Government must constitute a Board on all-India basis. In this Board such people should be appointed who may find out alternative jobs for these who are engaged in synthetics somewhere else so that they do not become surplus in our efforts to encourage jute production.

With these words I thank you and I

wholeheartedly support the Bill which you have brought in this House.

[English]

SHRI BASUDEB ACHARIA (Bankura): Mr. Chairman, Sir, jute industry which is one of the important industries of our country is really passing through a great crisis. But I doubt whether this type of legislation Jute Packaging Materials (Compulsory Use in Packing Commodities) Bill will enable the Government to restrict the use of synthetic granule, the import of which has been allowed. The liberal import of this synthetic granule has been allowed under Open General Licence will help to overcome the crisis which this jute industry is facing.

Sir, in order to understand the problem of jute industry, we shall have to go back to the period when our country achieved freedom and Bengal was divided. When Bengal was divided the jute growing area fell within erstwhile East Pakistan and all jute units, jute manufacturing units remained in West Bengal. At that time the then Prime Minister of India, Pandit Jawaharlal Nehru made an appeal to the farmers of West Bengal to produce adequate of jute so that the jute mills might not face closure. The jute growers responded to the appeal of the Prime Minister. They produced surplus jute and India became self-sufficient within a decade. But these jute growers who produced surplus jute did not get remunerative price.

In the year 1947-48, the production was only 16.58 lakh bales whereas in 1961-62 it rose to 82.62 lakh bales of jute. The Jute Corporation of India was formed to purchase jute from the growers. But the experience of the jute growers is that the JCI has failed to protect the interest of the jute growers. The season of jute starts from the first week of July and the crops start arriving by the end of July. But the JCI starts its operation by the end of September, by which time bulk of the jute growers would have parted with their crops just at throw-away prices by distress sale.

The statutory price which has been fixed does not cover even the production cost of jute. I don't know how this price was fixed, who had been consulted. whether the Governments of the jute growing states were consulted while fixing the minimum statutory price for jute. The jute industry is under the domination of about half-a-dozen monopoly houses of the country. It was at one time earning about 41% of foreign exchange earned by the nation through its exports. This industry also gave to its owners, between 1960 and 1971 an average return of 31% on the investment capital. But instead of using this huge profit for modernisation, renovation and development, they diverted these funds to other fields of activity in order to build their industrial empire. Birla Jute Mill became Birla Jute Mills and Industries Ltd. by diversifying into cement, artificial fibre, calcium carbide and many other fields.

16.45 hrs.

[MR. DEPUTY SPEAKER in the Chair]

It's profit shot up in two years during 1981-1983 from Rs. 51 lakhs to Rs. 1000 lakhs. It is nearly twenty times. The jute tycoons have refused to spend any sizeable amount on research and development with the result that jute products have lost their competitive value in the international market which we once dominated.

Bangladesh has now captured the world market. It has become the leader in the jute exporting market today. They also refused to spend for renovation and replacement of old plants and due to their mismanagement this industry is being ruined day by day.

Sir, modernisation is necessary because jute industry is one of the oldest industry in our country but this modernisation should not lead to retrenchment of workers. Already about 1.5 lakh workers have lost their job in jute industry. Now there are only 2.5 lakh workers in the jute industry. So this modernisation should not be made at the cost of the workers.

Sir, it has been felt that the use of synthetic bags should be restricted. I would like

[Shri Basudeb Acharia]

to know why import of PVC synthetic granules was allowed. This manufacture of synthetic bag started in 1964 but when import was allowed under OGL and licences were given liberally to manufacture these synthetic bags in 1984 they started encroaching the domestic market. Already international market of jute has shrunk and now there is a real threat in the domestic market from the synthetic bags which are manufactured by small and medium units to whom liberal licences are also given. Even the public sector undertakings like Cement Corporation of India and Fertiliser Corporation of India also are being allowed to use the synthetic bags instead of jute bags which they were using for a long time.

Sir, the use of synthetic bag also causes health hazard. Even in the western countries a new thinking is coming up. Because of health hazard they are now reverting to the use of jute bags. But our country, which is foremost in the manufacture of jute bags, under the patronage of Government policy switches to the synthetic material. When in other countries the domestic consumption of jute is increasing, what prevents from increasing our domestic consumption of jute?

Sir, there is a provision here in the Bill that a standing committee will be constituted. This committee will recommend to the Central Government about usage of jute materials, quantity of jute available. The point of diversification should also be included. Our jute mills are manufacturing all traditional materials like sacking and bags. Diversification has not taken since long. So, the diversification of production should also be included here, which this advisory committee will recommend to the Government. Enough attention should be given to the research and development aspect of this industry because Bangla Desh has started manufacturing jute carpets. Now they have captured the world market. Our jute mills can also manufacture good quality jute carpets in order to export those commodities.

Sir, punishment for not using jute bags is very lenient. There should be a stringent punishment. Who will not comply with the order or the instructions of the Government? Sir, the remedy shall lie with the nationalisation of jute industry. National Jute Manufacturing Corporation, which has six mills, are now managing this. The jute industry is very important industry. Not only 2.5 lakh jute workers are there, there are 40 lakh jute growers whose interests should also be protected. In order to save this industry, in order to overcome this industry, jute industry should be nationalised. The nexus has to be broken. Even if you give funds, these mill-owners will not utilise. They will siphon off the money as they did in the past. Money was given but they did not utilise the same to modernise the mills. They have ruined the mills. They are not interested to modernise the mills. They are not interested to diversify their production. They are now interested in other fields of activity. So, the only remedy which can save this important industry is the nationalisation of this industry which the Government should do. With these words, I conclude.

SHRI BHADRESWAR TANTI (Kaliabor): Mr. Deputy-Speaker, Sir, No doubt, the intention of the Bill is very good for the welfare of the growers and workers who are involved in the jute industry, but I apprehend that this Bill when passed will meet its natural death. From our experience we find that since independence many laws have been passed for various purposes for the organized and unorganized labour, for the working class and for the people of this country, but it appears that those laws have become silent spectators for want of proper implementation. Although the Government is committed for the service of the people, but it has failed to implement those laws particularly the laws involving the working class.

Assam is one of the major jute growing States, but if you go to Assam, you will find not a single jute industry there, nor any marketing facilities through the JCI or any other agency. People are simply growing

and growing and they are at the mercy of the middlemen for marketing. While the middlemen are making money, the poor people do not get any benefit out of it. They are compelled to sell their produce at lesser prices and there is no authority to look into it. I have got personal experience of that.

There is only one cooperative jute mill in Silghat in Assam and that too is on the verge of closure. Nobody is there to look into it. We have approached the Government, but it is keeping silent.

If you go through this Bill properly, you will find that *nothing is mentioned* about the protection of the jute growers as well as the marketing aspect.

A Standing Advisory Committee will be there under Section 2 of this Bill, but who will be the members of the Committee? How will it be constituted? Nothing is mentioned about that. It is nothing but a fiasco. With the majority that you have, I am sure, this Bill will be passed in the House, but this law will not serve any purpose. I would request the hon. Minister to come up with some progressive laws for protecting the interests of the growers and the workers and those who are involved in the jute growing and jute industry.

I request the hon Minister once again to very carefully examine this matter and bring forward a law specially for the protection of the growers and workers.

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI RAM NIWAS MIRDHA): Mr. Deputy-Speaker, Sir, I am thankful to the hon. Members who have participated in this debate, for the general support they have given to the Bill that is before the House. The discussion has covered in a way the whole gamut of the jute industry, from the growers to marketing, to manufacture, to exports and hon. Members have taken a lot of interest in emphasising the various facets of this old, but at the same time a very important

industry not only for the north-east but for the country as a whole.

17.00 hrs.

Speaking on this Bill, I would like to say that this Bill is not intended to be a comprehensive Bill to tackle all aspects of the Jute Industry and the jute situation. Starting from the production and marketing point, I would like to say that this Bill has a very limited purpose and it is one of the large number of measures that the Government has taken to improve the working of the Jute Industry and to reserve certain areas of packaging for jute sector. This has been necessitated because as was mentioned by many hon. Members, particularly, Shri Basudeb Acharia and Shri Indrajit Gupta about the granule import and the synthetic second industry, that the purpose of this Bill is to keep this very unfair condition out and to reserve certain areas of packaging in various industries for jute only thereby saving the jute producers as well as the jute mills

Now, I need not go into the history as to why the granule import was started; why so many permissions have been given for so many synthetic units. But one fact that has to be borne in mind by the hon. Members is that it was in 1984 and thereabouts that there was a great burden in jute price and it was so expensive, jute bags and other jute goods, that from that point onwards these synthetic people came into being. Encouragement was given to them in the hope that high prices of jute as well as scarcity of jute packaging material, etc. would be made good by the synthetic sector. But, in a way it has gone out of hand because so much capacity has been created that we have to come with this legislation to see that a very substantial portion of the packaging needs of the country in the wage of industrial sector has to be reserved for jute. This exactly is a short but very important purpose of the Bill.

Now, Sir, to start with the jute cultivators I do not have much time to go into the

[Shri Ram Niwas Mirdha]

whole gamut of schemes that we are undertaking. The Prime Minister announced two schemes; Rs. 150 crores scheme for the modernisation and Rs. 100 crores scheme for the special jute development fund. Now, out of this Rs. 100 crores, Rs. 25 crores has been reserved for the agricultural sector and we will fund agricultural research, agricultural practices, extension methods and improvement of seeds. Even now in Bengal the requirements of jute seeds come from Maharashtra, that shows very weak agricultural structure in West Bengal, which is a premier Jute State in this respect. We want to remove that imbalance. We want to start the research there itself.

Shri Basudeb Acharia paid tribute to the jute cultivators who at the behest of Pandit Nehru had increased jute production from almost nothing to a situation that it has surplus jute; tremendous achievement on the part of the jute cultivators who have to be complemented. But along with that there was no research support of the jute that we have given to wheat, the green revolution or to cotton or evolution of new variety seeds or anything of that nature. This had been excluded. We intend to use this Rs. 25 crores for some basic research, production of new varieties, agricultural extension work and looking after the agricultural side, which as I have said has not been given due importance till now. Another aspect of this is...

SHRI INDRAJIT GUPTA: Which will be the agency for doing this work?

SHRI RAM NIWAS MIRDHA: All sorts of agencies; West Bengal Government Research Farm, the Jute Research Institute, etc. They will be strengthened and we will give money to the re-organisations working for this cause.

SHRI BASUDEB ACHARIA: Will a separate organisation be set up for this purpose?

SHRI RAM NIWAS MIRDHA: There are organisations which are already working in the fields. We do not want any new organisation. We want to strengthen the existing infrastructure in this respect and help these organisations. If the West Bengal Farms are doing good work, we will give them help from this special fund and if the farms of the Ministry of Agriculture are doing good work, we will give assistance and help to them also. We will use it in the most efficient way. A corporation or a certain coordinating body may be inevitable, but I do not think a new organisation as such would be necessary.

After production comes the role of the J.C.I.— the Jute Corporation of India. A lot has been said about the JCI and some very critical remarks have been made. I have to put on the record that the JCI has done good work and over the years it has improved its performance. A few facts in this respect would be in order. In 1984-85 the JCI bought 14 per cent of the total jute produced in the country; in 1985-86, 23 per cent; and in 1986-87 it went up to 31 per cent. We are strengthening this organisation gradually so that more and more percentage of the total crop available is bought by the JCI at the minimum support price. One of the reasons why it has not been able to do much more is that the cooperative sector, as Shri Indrajit Gupta himself admitted, in the whole the Eastern Sector is very weak. We propose to strengthen it and we are already doing so. There are only 197 JCI departmental centres whereas there are 305 State cooperative Centres in all the States where jute production and procurement are being done. In all the States, the cooperative sector is weak. Marketing societies are not coming up and there are no adequate storage facilities. We are giving Rs. 10 crores from out of this special fund of Rs. 100 crores for strengthening the jute cooperatives and for strengthening the storage facilities of the JCI. All the State cooperative Departments will be given money so that they can strengthen the cooperative structure to help the JCI to take as much load as possible so that the percentage of

the procurement of the total crop increases much beyond what it is today.

**SHRI BASUDEB ACHARIA:** Why does the JCI not start purchasing immediately after the jute crop starts arriving in the market?

**SHRI RAM NIWAS MIRDHA:** It is not correct to say so. They are in position all the time. But Sir, you can just imagine five to seven people sitting there surrounded by hundreds and hundreds of people—Jute card holders and all that. I have reports that they sit all night there. There is no storage space. There is just one man to weigh the jute. There is no grading. You can imagine the stress and strain under which they work. I can assure you that under these circumstances, they are doing very good work. But we want to seek the cooperation of the Cooperative Societies which we propose to strengthen. We will see that they are in position just right in time. If they are not doing so, we will ask them to be in position well in advance. Sometimes we are caught unawares. For example it happened in the case of Cotton Corporation of India. Once the crop came earlier and they were caught unawares, slightly. So, it could happen. We will certainly take your suggestion and see that all this is done properly so that the purchases can really start in the right earnest.

Now I would like to say about quality and about diversification. You cannot diversify unless you have good quality of jute. Even now, there is scarcity of good quality of jute. It commands high price. Even all along the season, right from the time of the crop's arrival, good quality jute is scarce and it is highly priced. So, instead of increasing the acreage as was mentioned by Shri Manoj Pande, our friend from Bihar, we want to increase the productivity per acre and secondly we want to procure more and more very good quality jute, for which there is no dearth of demand. All the diversification that is necessary has to be done in this regard. We are putting this Rs. 10 crores for research including diversification. We have to diversify and go to new

areas. Traditional packaging sector does not pay much in the first place. Secondly, the minimum support price is also not much. I can see it. It can very well be more. If we produce good quality we can get better price and we can compete better. We have the Agricultural Cost and Price Commission which go into all these factors and announces minimum support price for cotton, jute and others crops. I can assure you that they will take note of whatever has been stated here and see that the minimum support price is high enough to be profitable. But it would not be as profitable as we want unless the quality of jute improves. That is where the basic research effort has to come in.

Another thing has been mentioned about the Bill which I shall certainly mention, i.e. regarding some shortcomings. For example, power of exemption. We do not intend to use the power in other way. Even if we do, we will have to come before the House. This has been there on the advice of the Law Ministry and others. In case some difficulty arises, it could be taken note of.

Something has been mentioned about the penalty clause. Rs. 5,000 that has been quoted is only a penalty for false statement and giving of false returns or not submitting the returns. It is not for the overall contravention of this Act. It is only a penalty for false statements, etc. The main penalty for contravention is, that the amount equal to double the cost of the jute packaging material which should have been used in accordance with this act should be paid by the defaulting unit. So, it can be substantial. If the evasion is substantial, you have to pay twice on that. It can be lakhs of bales or hundreds and thousands of bags themselves. If you have to take into account double the cost of that, it is going to be quite substantial. The contravention is substantial. So, I am sure this can be taken care of. We are consulting the Law Ministry and they also said that this should be all right. We are consulting the Law Ministry regarding the definition of

[Shri Ram Niwas Mirdha]

jute also. As Indrajitji had mentioned yesterday and it has been taken up in other context and we have been advised that putting a word 'jute' is necessary because sometime twine is there. And sometimes there is....

SHRI INDRAJIT GUPTA: Twine comes separately.

SHRI RAM NIWAS MIRDHA: It is separate there. But they have said that some other expression can come out of it. Why not have abundant caution? If you are aware, what has been said in this...

SHRI INDRAJIT GUPTA: God save us.

SHRI RAM NIWAS MIRDHA: Regarding the Standing Advisory Committee, many suggestions have come regarding what its composition should be. We have not put down the composition, but we have merely said that it will consist of people who have knowledge of this and that. I can assure the House that, if the mill interests are put in the Committee, definitely other interests including labour and cultivators will be put in. We have not decided what sort of Committee would be because it will meet once and decide for time being the percentage and in which sector it should be done. It is rather complicated. They will have to see the person's capacity to use that. Take for example, cement or fertilizers. How much bag we need for packaging of wheat or rice and then see how much is the availability of jute in that particular year? So, it will be more or less an expert Committee at the officials' level. I think that it would be necessary to have an exercise of that nature and then arrive at percentage levels for jute packaging. If there is scarcity of jute, the percentage could be varied later on. So we are giving them a mandate to meet from time to time and suggest to the Government the percentage and in which area all these have to be done.

Lastly, about proper implementation. That is of course the crux of this or any

other beneficial legislation that we seek to bring about. I can assure the House, through you, Sir, that we will certainly do all that we can. In this respect, we propose to involve the State Government administration also because we do not want to run the whole thing in a centralised way. The contraventions can be taken note of, at the State level. There are provisions in this by which we can delegate authority, to any subordinate Ministry of the Central Government or any State Governments or such other officials of the State Governments. We have taken the power and when we go ahead for its implementation, we would see that everything is done to see that this beneficial measure is implemented and serve the purpose for which it has been brought about.

Thank you.

MR. DEPUTY-SPEAKER: The question is:

"That the Bill to provide for the compulsory use of jute packaging material in the supply and distribution of certain commodities in the interests of production of raw jute and jute packaging material, and of persons engaged in the production thereof, and for matters connected therewith, as passed by Rajya Sabha, be taken into consideration."

*The motion was adopted.*

MR. DEPUTY SPEAKER: We will now take up clause by clause consideration of the Bill.

The question is:

"That Clauses 2 to 17 stand part of the Bill"

*The motion was adopted.*

*Clauses 2 to 17 were added to the Bill.*

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

SHRI RAM NIWAS MIRDHA: I beg to move:

"That the Bill be passed"

MR. DEPUTY-SPEAKER: The question is:

"That the Bill be passed"

*The motion was adopted.*

17.15 hrs.

GOA, DAMAN AND DIU MINING CONCESSIONS (ABOLITION AND DECLARATION AS MINING LEASES) BILL

[English]

MR. DEPUTY-SPEAKER: We now take up item No. 17 viz. Goa, Daman and Diu Mining Concessions (Abolition and Declaration as Mining Leases) Bill. Shri Vasant Sathe.

THE MINISTER OF ENERGY AND MINISTER OF STEEL AND MINES (SHRI VASANT SATHE): I beg to move:

"That the Bill to provide for the abolition of the mining concessions in operation in the Union territory of Goa, Daman and Diu and specified in the First and Second Schedules, and for the declaration of such mining concessions as mining leases under the Mines and Minerals (Regulation and Development) Act, 1957, with a view to the regulation of the mines to which such concessions relate and for the development of minerals under the control of the Union and for matters connected therewith or incidental thereto, be taken into consideration."

With your permission, Sir, I would like to say a few words, while moving the Bill for consideration of the House.

The Mines and Minerals (Regulation and Development) Act 1957 provides for the

regulation of mines and development of minerals under the control of the Union. After Goa, Daman & Diu became part of the Union of India with effect from 20th December, 1961, the provisions of the MMR&D Act 1957 were extended with effect from 1st October, 1963 except the provisions of Section 16 of the Act. Section 16 of the Act empowers the Central Government to modify mining leases granted before 25th October 1949. This is the date on which the original MMR&D Act, 1948 was brought into force. The provisions of Section 16 were extended to Goa, Daman & Diu with effect from 15.1.1966. This is to ensure that all mining leases are brought in conformity with the provisions of the Central Act, and the rules made thereunder. As a number of mining concessions granted under the then Portuguese colonial laws, also called the Decree of 1906, were still in existence, the Controller of Mining Leases proceeded with the modification of such concessions under the provisions of the Mining Lease (Modification of Terms) Rules, 1956 framed under the Act, and passed orders to bring the concessions in conformity with the provisions of the Act and the rules made thereunder. The concession-holders challenged the proceedings on the ground that the concessions held by them were not "existing mining lease" within the meaning of clause (c) of Rule 2 of the Mining Leases (Modification of Terms) Rules, 1956, and therefore not liable to modification.

Section 16 of the MMR&D Act was amended in 1972 to provide that all mining leases granted before the commencement of the Amendment Act of 1972 should be brought in conformity with the provisions of the Act. Accordingly, the Controller of Mining Leases initiated fresh proceedings and issued fresh notices. The concession-holders, in response to the notice issued by the Controller of Mining Leases, filed writ petitions before the Goa Bench of Bombay High Court. They contended that the nature of concessions enjoyed by them was different from that of any lease granted under the Act, and the provisions of the