

[Shri S. Mohan Kumaramangalam]

shall see to it that the relationship between the two is very close. I do not think that it would be right to say that there is any danger to the company if it is operated and managed by Bokaro Steels, because we except that the management of all our public sector organisations will do their best they can to run these organisations efficiently.

Shri Damodar Pandey had raised the question of a bridge across the Damodar river. We are looking into it. We know that there is need for building a bridge across the Damodar which will improve communications between Bokaro on the one side and the Asian Refractories on the other. I think that this will also help to open up the area north of the Damodar which is today ill-served. The Government of Bihar have also promised their full cooperation in the matter. Now that we have taken over the Asian Refractories, surely we shall have to pay attention to this question of a proper transport connection between Bokaro on the one hand and the Asian Refractories on the other.

SHRI DAMODAR PANDEY : What about the wage pattern ? I think the same wage pattern will follow as in Bokaro.

SHRI S. MOHAN KUMARAMANGALAM : I do not think that I am really in a position to make any commitment with regard to the level of wages, except to say that undoubtedly, fair and proper wages will be paid.

MR. SPEAKER : The question is :

"That the Bill to provide for the acquisition of the undertaking of the Asian Refractories Limited for the purpose of augmenting supplies of refractories to meet the essential requirements of the iron and steel industry be taken into consideration".

The motion was adopted.

MR. SPEAKER : The question is :

"That Clauses 2 to 11, Clause 1, the Enacting Formula, the Preamble and the Title stand part of the Bill".

The motion was adopted.

Clauses 2 to 11, Clause 1, the Enacting Formula, the Preamble and the Title were added to the Bill.

SHRI S. MOHAN KUMARAMANGALAM : I beg to move :

"That the Bill be passed".

MR. SPEAKER : The question is :

"That the Bill be passed."

The motion was adopted.

11.10 hrs.

COKING COAL MINES (EMERGENCY PROVISIONS) BILL

MR. SPEAKER : We will take up the Coking Coal Mines (Emergency Provisions) Bill. Originally two hours were allotted for it when the House was sitting the whole day. Now the time is reduced to half. We will try to finish with this within lesser time.

SOME HON. MEMBERS : It is a very important Bill.

MR. SPEAKER : Of course. I do not deny it.

THE MINISTER OF STEEL AND MINES (SHRI S. MOHAN KUMARAMANGALAM) : How much time do I have to move the motion for consideration ?

MR. SPEAKER : As much as he thinks very essential.

SHRI PILOO MODY (Godhra) : Give him ten minutes.

SHRI S. MOHAN KUMARAMANGALAM : Shri Mody is not yet the Speaker.

SHRI PILOO MODY : I may get your job.

SHRI S. MOHAN KUMARAMANGALAM : Over my dead body.

I beg to move* :

"That the Bill to provide for the taking over, in the public interest, of the management of coking coal mines and coke oven plants, pending nationalisation of such mines and plants, be taken into consideration".

This is most significant piece of legislation before this House this session other than the Constitution Amendment Bills. In bringing it forward, Government are implementing the promise made on their behalf by me on July 2, 1971. When replying to the debate on the Demands for Grants of the Ministry of Steel and mines, I had said :

"So far as nationalisation of coal mines is concerned, I know this is a very serious matter. We know, and it has been acknowledged, that whether in the private or public sector, the conservation of metallurgical coal is one of the most important tasks facing our country. I can assure hon. members that we are looking into the matter as to what is the best way and a decision will be taken as to what is the best method before the next session comes".

In pursuance of that promise, an Ordinance was promulgated providing for the take over of the management coking coal mines pending nationalisation. This was promulgated by the President on 16th October. A statement detailing the circumstances which necessitated promulgation of the Ordinance has also been laid on the Table. The Bill consideration of which I am moving seeks to replace that Ordinance.

Now coking coal, even Shri Mody will agree, is essential for preparing metallurgical grade coke which is required for the extraction of iron. The reserves of coking coal in our country are severely restricted.

It is estimated that the gross reserves of prime coking coal are only about 4,600 million tonnes, and of medium coking coal about 6,800 million tonnes. After allowing for losses due to the coal locked up in barriers, mining and washing, the net reserves of prime coking coal that may be available for metallurgical purposes are estimated at 1,360 million tonnes. These reserves are supplemented

by the reserves of semi-and weakly-coking coals in the manufacture of coke.

The structure of the coking coal mining industry, especially of the prime coking coal mining industry, in the country is very unsatisfactory. Nearly 200 of the coking coal mines are located in the Jharia coal fields where 40 per cent of the prime coking coal mines produce less than 200 tonnes per day, 54 per cent produce less than 400 tonnes per day, 81 per cent produce less than 1,000 tonnes per day and only 9 per cent produce more than 1,000 tonnes per day, but less than 2,000 tonnes per day. The economics of large scale can only be achieved if the mining unit produces a minimum of 3,000 tonnes to 4,000 tonnes of coking coal per day. It would thus be seen that the industry as it exists today is highly fragmented.

In these circumstances, it has been obvious to Government for quite some time that State intervention was absolutely vital. This is no new discovery suddenly made by us. As far back as 1937, the Coal Mining Committee appointed by the foreign Government of the day had recommended the step of nationalisation in these words :

"The various facts and difficulties outlined above admit of only one solution, namely, state acquisition of mines and minerals. This should comprise the Jharia and Raniganj fields in the first instance. These two are the most important fields and contain the best coals in India and the problems to be faced there are acute.

"The major portions of the other important fields in the above-mentioned provinces, namely, Giridih and Bokaro, is already under State and Railway control. State acquisition is not an impracticable suggestion, as will be shown presently. We would, therefore, earnestly request the Government to examine this thoroughly as we feel confident that it is the only ultimate solution. The greater the delay in going into the matter; the greater will be the cumulative difficulties in course of time."

Even Englishmen of those days who had foresight acknowledged the defects in the working of the Jharia fields.

Sir Cyril Fox, former Director of the Geological Survey of India, in January, 1936, stated :

*Moved with recommendation of the President.

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"The subject of the coking coal in India has received a great deal of attention on papers, and the seriousness of the situation has been brought forward from time to time. There is no doubt at all that the main store-house of India's coking coal is the Jharia coalfield, and under whatever pretexts reserves are assumed in other fields, it is certain that those reserves are unattractive to our ironmasters unless mixed with an appreciable proportion of Jharia stock. Thus, the fundamental importance of the Jharia reserves is evident, and yet, by the methods now in vogue, for every ton of Jharia coal despatched from the mines at least another ton has to be sacrificed in working. When we add to these considerations the prevalence of underground fires, the certainties of subsidences and the likelihood of heavier pumping charges on the arrival of the monsoon, it is clear that the situation is serious."

The 1937 Committee was followed by the Indian Coal-fields Committee of 1946, and this was followed by the working Committee on the Coal Industry of 1951, and again by the Balwantrai Committee of 1956. All these committees consistently acknowledged and admitted the fact that the Jharia coalfields are in a very difficult position and immediately steps must be taken if not to nationalise at least to amalgamate these small coal mines and bring them together so as to be able to take advantage (a) of economies of scale and (b) of scientific and rational methods of mining.

The Balwantrai Committee particularly produced schemes by which we would be able to ensure what is called voluntary amalgamation of the smaller coalmines, the viable units of which could produce something like 6,000 tonnes of coking coal a month. Unfortunately, all the steps that have been taken over these years were of no value; they took us nowhere at all. Ultimately, it became obvious that we must go forward to nationalise the coking coalmines. If anything, we have delayed this far too long.

When this proposal was under discussion in the Government, particularly after the last session of Parliament where I had made this promise to hon. Members, a scare was created in the coalfields of Bengal and Bihar

about impending nationalisation and a number of mineowners started indulging in activities bound to result in serious damage to the mines. Valuable equipment, vehicles, pumps, etc. were sought to be removed and disposed of and cash balances withdrawn, Bills for supplies of coal were discounted. So it became imperative for the Government to intervene urgently and that is why the ordinance taking over the management of 214 coking coalmines was brought into effect from October 17, 1971.

At the time when the possession of these mines was taken over, it also came to light that some of the mineowners had made arrangements to separate the ownership and management of their coke oven plants from coking coalmines. Unfortunately, the ordinance did not cover this. And we have made up for this in the Bill and taken power under the Bill to take over these coke oven plants which are right in the middle of the coking coal mines. Some of the coke oven plants which continued inside the companies which were running as coking coal mines have come into our hands but those which are separated will now be taken over after this Bill has been passed by Parliament.

SHRI K. D. MALAVIYA (Domariaganj) : They are almost inseparable.

SHRI S. MOHAN KUMARAMANGALAM : Yes. But they managed to separate them legally. I am not taking of any other separation. That is why we are now taking power to take them over also.

The management of the coking coalmines for the present is being carried on by the Custodians under the control and supervision of the Custodian-General. The Custodian-General who has been appointed by the Government is Mr. K. S. R. Chari, the Chief Technical Adviser to the Department of Mines, acknowledgedly one of the leading mining engineers in our country. It has been considered necessary to form a Government company to take over the managements of these mines, when it is brought into existence very soon, and provision has been made in this Bill for setting up such a company.

I should like once more in conclusion—because there is not very much more I can say while introducing the Bill—to emphasise that

the nationalisation of the coking coal mines has been proposed basically and fundamentally with a view to augment the supply of coking coal to meet the growing requirements of the iron and steel industry. Figures go like this. The present coking coal production capacity in the country—not production but production capacity—is 24.6 million tonnes—5.2 million tonnes in the public sector and 19.4 million tonnes in the then private sector and now under the management, as a result of the Ordinance, of the public sector. The actual production of coking coal during the year 1970-71 was 17.5 million tonnes. The present steel production capacity is 9 million tonnes and it is likely to go up to 12 million tonnes by 1973-74, that is, the end of the Fourth Plan for which thirty million tonnes of coking coal would be required. From 17 we would have to go up to 30. Thus within the next three years we shall be faced with a shortage of coking coal production capacity. As matters stand, supply of coking coal to this vital industry cannot be ensured with the present state of development and the outlook of the owners of the various properties. For the development of a mine there is always a long gestation period. For a medium mine of 1000 feet depth the gestation period is about five to six years whereas in the case of deep mines of 2,000 feet depth the gestation period is of the order of about 10 to 15 years. For the development of such mines for which advance action is necessary it is essential to assess in detail the resources of various leaseholds, geological disturbances and demarcate viable units vis-a-vis capital investment. As most of the leaseholds are small with a gross reserve of about 6 to 8 million tonnes per leasehold with a few exceptions, even if the owner wants to develop he cannot just develop it because of inadequate reserves and lack of finance. There is a very big job in front, of the coking coal organisation and it will have to treble or quadruple in the near future. The planning section of the organisation alone would have 500 engineers, probably in the shape of central design institute.

Probably the whole of Jharia coalfield would be entirely changed. It has to be re-planned by the end of a decade or so when we shall have somewhere in the region of 10 to 12 mines producing 7-8000 tonnes of coal a day. That is, from 200 mines we have got to bring it down to around 10-12 mines. Roads and rail links would also be reorganised

in the course of reconstruction of the mines. This is not a small job at all.

We have got a great deal to learn from other countries also. I think particularly from the Polish coal mines. After the second world war there was a great demand for coal in Eastern Europe, in Poland, there were a large number of thick seams but with limited areas, small mines just as in Jharia today. What they did in Poland after nationalisation immediately after the war was to delineate viable units. From a meagre 46 million tonnes they have gone up to 135 million tonnes a year with probably the most advanced coal mining methods known in the world. France and Poland are leading in coal mining techniques.

Hon. Members will, I am sure, be happy to know that the Poles are coming forward to help us. The Polish experts are likely to come here to assist as in restructuring both the underground and overground, the entire Jharia area.

But I should also like to warn the House and I am sure the House will appreciate this. It is not going to be an easy job at all. I do not think it to be an exaggeration to say that if anybody prevented earlier the nationalisation of the coking coal mines....

MR. SPEAKER : I should inform the hon. Minister that we are taking up Private Member's Business at 11.30 ; there are only five minutes left.

SHRI S. MOHAN KUMARAMANGALAM : I shall finish by that time. We had to face the opposition of the most powerful vested interests in the coking coal mines and even now the former mine-owners, commission agents, lathials and other vested interests, are putting any number of obstacles in our way. But we are confident that we shall be able to go through with this because one feature, which I am sure hon. Members will be happy to know, is that the workers about one lakh of them in that area, have given a tremendous welcome to this decision of the Government. They want an end of the malpractices in the coal fields, cheating in wage payments, bogus lists of workers, no real welfare measures and so on. And we are also determined to see that a new state of

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affairs is ushered in for the workers in this area. But for this we shall need a first class management, the best mining engineers and good managers also in our country. We are determined to see that we shall have the best management, that we recruit the best mining engineers in our country regardless of what part of the country they come from, in order to shoulder this Herculean task.

11.27 hrs.

[MR. DEPUTY SPEAKER in the Chair]

I would like to mention also to hon. Members that we are doing well so far as production is concerned. The production in September, 1971, the last pre-nationalisation month I may call it, was 1,009,000 tonnes. In October, 1971, which was a fifty-fifty month because we took over on 17th October, it was 1,018,000 tonnes—9,000 tonnes more. In November, 1971, it was 1,060,000 tonnes. Therefore, production has increased, and we have not gone backwards, though you will find many newspapers writing that everything is going to pieces in the coking coal mines because they share the philosophy of some hon. Members on the other side who look at things through coloured spectacles. I would like to assure hon. Members that the mines are doing well and will do well in the future.

I would only say finally that we have provided in the Bill for compensation to be paid for the management. There has been some criticism of this, and I can appreciate the criticism also, but as the law stands today, we have to pay some compensation for the management. That is the advice that has been given to us by the Ministry of Law, and I think that it is not possible for us in terms of article 31 as it stands today, even after the amendment, to avoid paying some compensation. We have done so on the basis of making an elaborate calculation which I think is quite reasonable, but very soon we shall be taking over the mines themselves and coming before this House with a Bill for nationalisation.

I commend this measure to the House and request support from all sides.

11.28 hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

EIGHTH REPORT

SHRI SANT BUX SINGH (Fatehpur) : I beg to move :

"That this House do agree with the Eighth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 8th December, 1971."

MR. DEPUTY-SPEAKER : The question is :

"That this House do agree with the Eighth Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 8th December, 1971."

The motion was adopted.

SHRI H. N. MUKERJEE (Calcutta-North-East) : It seems from the allocation of time that Shri Bibhuti Mishra's Resolution would nearly swallow the entire time. But normally the Resolution that follows is permitted to be moved in half a minute or less. So, may I have some assurance from you that I will be allowed to move my Resolution ?

MR. DEPUTY-SPEAKER : I cannot give that assurance. If Shri Bibhuti Mishra and the Members who participate in the debate on his Resolution would consider it, I would be very happy.

11.30 hrs.

RESOLUTION Re. RISE IN PRICES OF ESSENTIAL COMMODITIES-Contd.

श्री भार० बी० बक्शे (बरेली) : उपाध्यक्ष महोदय, उस रोज मैं इस विषय पर बोल रहा था तो मेरे पास प्रश्न 130 लेकिन श्री हेमचंद्र सिंह जी ने पूछा कि 19 दिसम्बर को नहीं था। उक्त प्रश्न के उत्तर में बिल में भी मैंने स्पष्ट कहा कि वह कोयला बढ़ रही है। और उक्त प्रश्न के उत्तर के साथ ही हीमचंद्र