

* Government Policy *re* Mineral Resources of India

Mr. K. C. Neogy : Sir, I beg to move :

“That the demand under the head ‘Geological Survey’ be reduced by Rs. 100.”

As indicated in the notice, my desire is to discuss Government’s policy with regard to the mineral resources of India. But, having regard to the hour I should like my Honourable friend to have as much time as possible for making a statement, which we all desire. I have already indicated to him the various points which I would have liked to deal with had I the time to make a speech on this occasion. As it is more important that we should have a statement from him than that I should make a speech, I should very much appreciate it if my Honourable friend could make an informative statement.

Mr. Deputy President (Mr. Akhil Chandra Datta) : Cut motion moved.

“That the demand under the head ‘Geological Survey’ be reduced by Rs. 100.”

The Honourable Dr. B. R. Ambedkar (Labour Member) : Mr. Deputy President, I am indeed very glad that Mr. Neogy should have thought of such a cut motion as the one he has moved, because the cut motion gives Government the opportunity to explain its mineral policy which it had not got so far. There is so much ignorance and so much misunderstanding about the matter that I think it is in the interest of everybody that so important a matter as the mineral policy of the Government of India should be explained fully to the House. Sir, I regret, and I have no doubt that there are other Members of the House who will share that feeling that owing to the exigencies of the timetable, Mr. Neogy did not have the opportunity of making a verbal

*Legislative Assembly Debates (Central), Vol. H of 1945, 12th March 1945, pp. 1383-85.

statement explaining the points he wanted to make. I quite appreciate, and indeed I am very grateful to him for having cut short his speech and gave his time to enable me to make a statement.

Sir, this is a matter in which I think it is better to be very candid and say that the Government of India so far had really no mineral policy. It may be a ground for complaint. But it need not be a ground for surprise. The responsibility for the absence of a mineral policy has been sought to be placed in certain quarters at the door of the Geological Survey of India. I am sure that that is a wrong charge ; and I propose to devote the first few minutes that I have in order to dispel such an impression.

I think it will be admitted that the mineral policy of any government is necessarily dependent upon the industrial policy of that government. Minerals necessarily play a great part in the industrial development of the country and if the country has no industrial policy, obviously there cannot be a mineral policy at all. This House is aware that until the Government of India decided to have as its aim and object the reconstruction of the economic and industrial life of this country in the post-war period Government in this country played very small part in the industrialisation of the country.

Dr. P. N. Banerjee : What a pity !

The Honourable Dr. B. R. Ambedkar : Whether it is a matter for pity or whether it is a matter of anger is not for the moment my concern. All that I am trying to show is that if there has been no mineral policy, the fault is not of the Geological Survey of India. The fault lay with the Government of the day ; the fault perhaps lay with the Legislature and, it may be, with other organisations which were interested in the economic and industrial life of the country.

The second reason why the Geological Survey did not play the part that geological surveys in other parts of the world do play is largely due to the fact that this is one of the departments which has always been under-staffed. I would like to tell the House a little history with regard to the staffing and the provision of the technical personnel of the Geological Survey of India. In 1920 sanction was obtained for an

increase in the superior gazetted staff of the Geological Survey. Unfortunately there was much difficulty in getting a trained personnel that it took practically nine years to fill the required number. The pity of the matter was that as soon as this number was filled, the Legislature in 1931 carried a motion for economy and almost all these men who were recruited had to be axed. I point that out in order to show that if the Geological Survey Department did not play its part in the mineral policy of the Government of India, the legislature to some extent is responsible for that result.

In the limited time that I have, I do not wish to dwell more on the past. I wish to speak about the future. I am glad to say that the Government of India has now accepted the need for a definite mineral policy. That is largely due to the fact that the Government of India has taken a decision to have a drive in favour of bringing about the industrialisation of the country. The mineral policy of the Government of India has been set out in section 14 of the second report on Reconstruction and Planning. I have no time to read section 14 or even to give the gist of that paragraph. I have no doubt that the Members of the Legislature who are interested in the matter will look up section 14 and see for themselves what exactly that policy is.

To summarise the matter briefly, the mineral policy of the Government of India and the action which the Government of India propose to take in furtherance of that policy falls into two parts : in the first place, we propose to reconstitute the Geological Survey of India in order to make it a more potent instrument for the furtherance of our policy. Accordingly, a detailed scheme of expansion of the survey has been drawn up and administratively approved. The new branches of the Geological Survey which we propose to set up will deal with engineering geology, industrial utilisation of minerals, central mineral development, geophysical work, oil development. It will include the establishment of a natural history museum, and a publicity section in order to keep the public informed of what is being done.

The second part of our mineral policy consists of legislation, which the Government of India propose to initiate for the purpose of establishing control over minerals. In defining the limits of legislative control over the minerals, we propose to take into consideration the

following circumstances. One, the importance of the mineral from the defence point of view on all India mineral development; two, the technical nature of the mineral; three, the purposes for which the mineral is used ; four, the value of the mineral or of the products into the making of which the mineral enters. Our legislative provisions will fall into two classes, or rather divide the minerals into two classes : those which will be subjected to general control: and under general control we propose to confine ourselves to the granting of prospecting and mining leases, the terms and conditions of such licenses and termination thereof. Then there will be other minerals, which will be selected for more detailed control. The number of such minerals which are suggested for more detailed control are about 28. I do not propose to detail them here. The detailed control will include besides the power to grant licenses, the power to control the method of mining, of processing, of grading, of standardising, to direct improvement of mining and procuring methods, and also the power to initiate research for increased utilisation and for other necessary purposes.

I have stated as briefly as I can within the time available to me the general policy which the Government of India propose to adopt in regard to minerals.

I propose now to turn to some of the specific points of which Mr. Neogy had given notice to me. The first point to which he has referred was the export of minerals. I would like to assure the House that in the contemplated legislation there will undoubtedly be provisions for dealing with the export of minerals outside India. The question really is whether we can completely stop the export of our minerals. The answer to that question must necessarily depend upon another question, namely, shall we be able to import those minerals in which India is deficient if we completely stop the export of our own minerals ? As Honourable Members are aware, India is in fact deficient in such important minerals as oil, copper, lead, zinc, tin and sulphur. Consequently the question of export has to be considered in the light of the effect it may produce on our ability to import things of which we have a deficiency. The course which appears safest to the Government of India is to regulate the export of those minerals of which we are in short supply and which are necessary for the industrial development of the country, and secondly to see that our minerals are

not exported in a raw condition but that we establish in our own country such industries as will enable us to process the raw material before it is exported to other countries. Another point to which Mr. Neogy has drawn my attention is with regard to the oil concessions. As Mr. Neogy knows, and as I believe other Members of the House know, there exists at present a moratorium on oil concession—moratorium on the granting of mining and prospecting licenses. That moratorium was introduced mainly because the Government of India did not desire that various oil companies should dissipate or engage for their own prospecting purpose technical personnel which is so deficient in its supply in this country. That moratorium will last till the war and some time thereafter. Now, Sir, so far as the question of granting licenses is concerned, the matter, since the passing of the Government of India Act, is in the hands of the Provincial Governments ; but the Provincial Governments have been so far following the rules, that the Government of India have made under the 1919 Act under which this was a matter for the operation, the policy of what is called 'closed door' against non-British subjects. The rules framed by the Government of India lay down that a company before it can obtain such a license must show that it is a company which is Indian in its personnel or that the majority of the members of the Board are British subjects. I do not know whether Mr. Neogy had in mind the further question, namely, the distinction between Indian subjects and British subjects. I have no time to enter into that. All I can say is that this is a matter which is closely connected with another important matter, namely, the Provisions contained in sections III to 118 of the Government of India Act and which is being debated in the House on a separate Resolution. With regard to the question of coal, that again, as I said, will have its place in our new legislation. As my friend will understand, it is rather a difficult question. It covers matters such as mining, grading, marketing and utilisation of inferior coal. It will require a good deal of co-operation of the owners of mines and all those who are in the trade in order that our legislation may be fruitful. I may assure the House that we propose to take the matter up as part of our post-war policy.

I have said in a general way in the short time that is available to me what the policy of the Government of India is. I would say only this in conclusion—that an all—pervasive and dynamic mineral policy

would depend upon three circumstances. It would depend upon the industrial drive in the country. If there is industrialization, this country will undoubtedly have to undertake a more vigorous mineral policy than it has done in the past. Whether our mineral policy will be successful and will be used for the benefit of the many will also depend upon two other considerations, namely, the constitutional position, the distribution of authority between the Provinces and the Centre and the role the State is allowed to play in this matter. I believe I have said enough to enable the House to appreciate what the Government of India proposes to do in regard to a mineral policy for this country.

An Honourable Member : I move that the question be now put.

Mr. Deputy President (Mr. Akhil Chandra Datta): The question is that the question be now put :

(Several Honourable Members : 'No, no.')

I take it that the opinion of the House generally is that this motion should not be put.

An Honourable Member : You can adjourn the discussion.

Mr. H. A. Satar H. Essak Sait (West Coast and Nilgiris : Muhammadan) : Under the arrangement that has been arrived at and that has been circulated. (Mr. H. A. Sattar H. Essak Sait.) The time allotted to the Nationalist Party is over. It is a sort of guillotine. Now, the other Party must come in. It is not for the House now to express an opinion on it.

Mr. Deputy President (Mr. Akhil Chandra Datta): The position now is this that this cut motion cannot be put to the House.

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