

**PROF. SAIFUDDIN SOZ :** I want the Agriculture Minister to visit the State.

*(Interruptions)*

*[Translation]*

**MR. SPEAKER :** He has already done what he had to do.

**PROF. SAIFUDDIN SOZ :** The Agriculture Minister should have himself gone there. You ask him to pay a visit there. If he wants, I shall accompany him.....  
*(Interruptions)...*

**MR. SPEAKER :** **SHRI Basudeb Acharia.**

12.17 hrs

**CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE**

*[English]*

Situation arising out of the reported decision by the Union Carbide Corporation to sell its lucrative consumer products division.

**SHRI BASUDEB ACHARIA (Bankura):** I call the attention of the Minister of Industry to the following matter of urgent importance and request that he may make a statement thereon:—

“The situation arising out of the reported decision by the Union Carbide Corporation to sell its lucrative consumer products Division, thereby leaving in sufficient assets to meet adequately the claims of the victims of Bhopal gas disaster and steps taken by the Government in that regard,”

**THE MINISTER OF STATE IN THE DEPARTMENT OF CHEMICALS AND PETRO-CHEMICALS (SHRI R. K. JAICHANDRA SINGH) :** According to a publicly announced plan, following an attempted takeover of Union Carbide Corporation, the Company decided to sell its

Consumer Products Businesses and use the net proceeds in excess of the net book value for payment of a special dividend to the shareholders of the company. As per recent press reports, the company appears to have accordingly finalised the sale of these Businesses which will not be consummated before the end of June, 1986.

2. Government has taken all this into account and is monitoring the situation closely with the assistance of Financial Experts so that when necessary and appropriate effective action may be taken after considering all the relevant issues including the laws of U. S. A. where the complaint against Union Carbide is being pursued. I may assure the House that no effort will be spared for ensuring that the claims of the Bhopal victims remain fully protected at all material times.

**MR. SPEAKER :** Shri Basudeb Acharia. Ten minutes Please.

**SHRI BASUDEB ACHARIA :** The statement just now made by the Minister shows the cavalier manner in which the Government is dealing with the gas victims of Bhopal. The Union Carbide has left no stone unturned to dodge its responsibility for the world's most horrifying industrial and environmental disaster. Sir, it is obvious that once the sale is completed, the Union Carbide would be in no financial position to adequately meet the claims of the 4,45,000 Bhopal Gas victims. This settlement has been hurriedly done and the Government of India has been excluded from this. This proposed sale of Consumer Division are all part of Carbide's grand design to escape the liability of paying compensation for damages caused to hundreds of thousands of hapless Indians and to refuse to meet the cost of rehabilitation of such victims as will carry after-effects for the rest of their lives.

The proceeds of the sale of Consumer Products Division, which is reported to be 2.5 billion dollars will be immediately distributed among the Carbide Shareholders and will not be kept in reserve for the payment of the dues to the Bhopal victims.

Sir, in the corporate history of the United States, there are many precedents

for the course of action taken by the Union Carbide. In the last fifteen years there have been many cases where large American Corporations exposed to the risk of paying huge compensation to the victims of their misdeeds, have chosen the easy roads of insolvency. Sir, the Manual Company makers of asbestos products, for instance entered into a settlement with the victims of asbestos poisoning and then they filed for bankruptcy.

Unless the Government of India take a firm stand, it will not be able to recover much for the Bhopal victims.

The 'Ambulance Chasers' from the United States came to Bhopal to convince the victims about the out of Court settlement and to collect fresh proxy from them with a view to nullifying such powers acquired by the Indian Government in December last fight to compensation case in the U. S. Court.

Sir, the situation in Bhopal continues to be mismanaged. The authorities have made little efforts to ensure that the gas affected population receives comprehensive care, even though more than 16 months have elapsed since the disaster. For about 4 lakh persons, who were exposed to deadly gases some 14,000 either succumbed or have been permanently crippled, they require care. It is an enormous task.

Sir, the free foodgrains being given by the Madhya Pradesh State Government was stopped late last year—from last December. Most of the victims were labourers who survive on their day—today wages, but a variety of ailments caused by gas makes physical labour almost impossible. All those who were crippled, require permanent financial support and comprehensive medical care. It is not clear why the State Government of Madhya Pradesh have stopped free distribution of foodgrains to the most affected. If paucity of funds was the main reason, why must the Central Government not come forward to assist the State Government, so that the supply of free foodgrains is restored? *(Interruptions)*

MR. SPEAKER : Sum up, please.

SHRI BASUDEB ACHARIA : The amount of compensation to be paid to the victims is much less than what is claimed by our Government. What steps does Government propose to take, to increase the amount of compensation?

12.26 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

Secondly, it is not clear whether Government will seek an injunction from the courts, preventing Union Carbide from negotiating a settlement with private American lawyers to come to its own conclusion; whether the State Government of Madhya Pradesh will restore the free supply of foodgrains to the worst victims—which was stopped in December last. Will Central Government assist the State Government in this regard?

DR. SUDHIR ROY (Burdwan) : The killer multi-national Union Carbide is again trying to deprive the poor, hapless gas victims of Bhopal. First of all, it tried to spread the story of sabotage; and then it tried to offer only \$350 million to these poor gas victims.

It is now known to all that this is the worst known industrial disaster in human history. Already, 14,000 people have either succumbed, or have been completely crippled; and they have been described as burnt out cases by the head of the Medical Department, of a Local University.

Two lakh sufferers complain of damaged eyesight. Ninety thousand people now complain of permanent disablement. Still, Union Carbide is now trying to sell its profit-yielding consumer products division; and they are trying to reach an out-of-the-court settlement with some private lawyers.

I would like to know from the Minister why at all they have filed a law suit in the United States of America. Do they still believe in the theory of extra-territorial rights? In the past, the imperialist Powers claimed this extra territorial right; and their nationals could not be tried, if they committed the worst types of crime. Because

India is a sovereign State, India could file law suits in her own courts, but they preferred filing suits in America. This is strange indeed!

Secondly, I would like to know from the Minister why two Bhopal Mayors were allowed to make free trips to USA on an invitation from the American lawyers who are in collusion with Union Carbide; and who are trying to reach an out-of-the-court settlement. I would also like to know from the Minister what steps they are taking, for preventing this reported sale proposal. I would request the Minister to move the courts, so that this proposed sale deed is declared invalid. I would also request the Minister to appoint top corporate lawyers and public interest advocates in America, so that they may highlight issues. I would also request the Government of India to launch a massive campaign in USA for educating people as to how irreparable damage has been done to nearly four lakh and fifty thousand people.

**SHRI SAIFUDDIN CHOWDHARY** (Katwa): The news that is coming about the sale of Union Carbide Units, those are making profit, is very disturbing. But that concern is not at all reflected in this statement. I must say this is quite an irresponsible statement. The manner in which they are treating the whole thing is also reflected in this. I am not going into the detail of what kind of news is coming. I must thank the Journalist Mr. J. N. Parimoo who has been writing consistently in *The Times of India* and giving us information about this. It is a very serious matter. These notorious multinationals, they do like this. They sell out their property in order to get rid of the responsibility of giving compensation, the Union Carbide is also trying to sell out their lucrative property and declare themselves as insolvent so that they can get rid of the compensation that has to be given to the Bhopal gas victims. The money that they are collecting as a result of sale they will give it to the shareholders. But they have no concern for the victims who have suffered in our country due to their callous management and their anti-people way to run their Unit in Bhopal. The details have come, but I am not going into them.

All these news have come that they are going to sell their Consumer Products Businesses. What steps has Government taken? The Government has said that they are monitoring. What sort of monitoring they are doing? A simple thing is that the government should have moved the court where it is being adjudicated that you give an injunction to any sale by Union Carbide of any of its property. Why has the Government not thought on this line? But the attitude they are adopting is not going to satisfy our people. One Report suggested that the government is trying to see that the proceeds out of the sales should be kept for the victims of Bhopal gas tragedy. We just cannot accept this; we have to see that the sale is not done; if the sale is done, it will be out of hand.

By a law enacted in this House, the government has taken the sole attorney to represent gas victims case in the court. Despite that fact, known fact, how is it that certain people of our country are aligning with the private lawyers whom we have heard as ambulance chasers'. They have been visiting Bhopal. Who are those people? One is ex-Mayor of Bhopal Municipal Corporation. Another is the present Mayor of Bhopal Municipal Corporation. Which party do they represent? They represent this party which is ruling this country. This is a clear insult to this House, to the sovereignty of our country and to this government also. Why have they not taken action against them? I have seen in the paper today that they have taken action against somebody ... \*\* ...

I have no objection to that.

**MR. DEPUTY SPEAKER** : No why are you mentioning his name ?

(Interruptions)

**SHRI NARAYAN CHOUBEY** (Midnapore) : Why are you sensitive about it? It has come in the Press.

**MR. DEPUTY SPEAKER** : Why are you bringing his name? That is his party affairs. Don't bring all these things.

---

\*\*Not recorded.

**SHRI SAIFUDDIN CHOWDHARY :**

You strike off the name. I have no objection. *(Interruptions)* But I am just making a point that expulsion was made for what I do not know. That is their party matter. But the question is that when action was taken for a matter—it was told that he claimed to be the Prime Minister after the killing of Mrs. Gandhi; if this be the reason for expulsion—how is it that these men are not expelled who have brought insult to our country? How can they go to USA? They are paid by these lawyers who are saying that only out of court settlement is the most beneficial thing for the victims. I want to tell you that the lackadaisical way the Government is moving, the way they are treating the victims, not reaching succour to the people, that has created a kind of insecurity in the minds of people as to what they are going to get through the attempts of the Government in the court. Why has the food grant relief been stopped? If the Government does not take up enough relief measures, where will these people go? These private lawyers are trying to get such opportunities to allure the Bhopal gas victims by telling 'you come with us; you bear with us; we are trying to give the most that we can give and your Government is not going to do anything for you.

Presidents of Jayaprakash Narayan Basti which is opposite to Carbide Unit at Bhopal, have signed a contract with the 'Ambulance-chaser' Mr. Coale. Is Government looking into anything? Is there any responsibility on the Government?

When the case was filed in the US court we had been told that their law was best suited to fetch enough compensation. I considered even at that time that was an insult. I do not know what is going to come out of this move in the US court. I believe that Mr. Kennan, the Judge, is also favouring out of court settlement. And the most startling thing, I must say, is Mr. Anderson's reply. It has come out in the Times of India of today.

"Question : The Government of India thinks that the offer is totally inadequate and there is no settlement in their viewpoint. They will go forward and take legal action,..."

Is this the view of the Government of India? I must get a categorical reply.

"Reply : You know, this is a question of words, and perceptions; things people say and things people mean. Just keep in mind the Government of India has a very difficult problem. They are contending with the worst industrial disaster that ever occurred. There is a democratic government where unilateral action by dictation is permitted. There is a leader, Mr. Gandhi, who has shown himself to be a first class leader, of a country. His reputation, from the time he started his work, to where he is today is almost beyond comprehension."

Now the question is that all these they are saying in propitiating words with the hope that though the Government is now saying that it does not want any out of court settlement; it is not party to the agreement that has already been reached, it has got a brilliant Prime Minister and that there is a distinction in what they mean and what they practise, and that they may accept it. This is a very dangerous thing. I want to know what suit they have filed. How much compensation have they claimed? What is the scientific basis of that? Why have they disbanded the inquiry which was instituted by the State Government? This is a serious matter. We want a categorical answer to that. I also want to know whether there is any monitoring authority which is looking after this and which will be duty bound to report from time to time to this House and to the public at large through press as to what action they are taking. This is a very serious matter. Any distortion in the field will seriously harm the interest of this country.

**SHRI SURESH KURUP (Kottayam) :** Respected Deputy Speaker, Sir, it is a matter of common concern for all those who love humanity that those who are responsible for the Bhopal gas disaster should not be get away lightly for their criminal action.

Even though the New York Federal Court Judge John Kennan has yet to rule on the all important question whether American

court or Indian courts would have the jurisdiction over the claims arising out of the disaster, it would be a criminal negligence on the part of the Indian Government if proper legal actions are not taken to counter the moves of the Union Carbide Corporation to strip off its assets.

All sorts of mischievous things are being done by the Union Carbide Corporation. This case is unique in the sense that this is the first time in the world legal history that a third world country is suing a multinational corporation in its own country and its proceedings and final outcome are going to set an example. This opportunity should be utilised by our Government to teach a lesson to those multinationals and those and those chemical industrialists who are operating in the third world. They should understand that they cannot go away by killing thousands of innocent people in a third world country, washing off their hands. But unfortunately the Government of India shows a callous neglect in handling such a vital issue like this. They have so far failed in vigorously countering the U.S. multinational's legal and corporative offensive.

The Union Carbide is trying to sell off or otherwise dispose of its assets estimated a year ago at five billion dollars. They have already implemented the plan partly. The statement given by the Minister here does not contain any new information. All this information and rather more information appeared in the Press. The Times of India has been reporting for the last one month as to how the Union Carbide is moving, how they are going to dispose of their assets. Everything has been reported. And this is a two-paragraph statement'. (Interruptions). It is not at all a statesman like statement.

Sir, you know that by a clever move they have converted more than half of their shareholders into creditors. Last December, faced with a take over bid by the CAF Corporation. Union Carbide offered to buy 55 per cent of its shares from its shareholders by giving \$ 85 for each share. \$ 20 were paid in hard cash and the remaining in various securities in the form of debentures and bonds. It is said and it has already

been reported in the Press also. Certain claims are also written into the securities to give this new group of creditors priority over other creditors. That means in the event of liquidation or any charge on their assets, these creditors will get priority and not the Bhopal gas victims. In this way the Union Carbide has already transferred \$ one billion out of the company.

Their Second move, as has already been mentioned here, is that they have already announced the sale of their International Consumer Products Division. They intend to pay the sale proceeds to the shareholders as dividend. The Chairman of that company, Walter Anderson, in his interview to the Times of India correspondent, has already mentioned this. This move will help them to dispose of another \$ 1.4 billion and thus reduce the real value of their assets by half. These are the moves.

What I want to know from the Government of India and the Minister concerned is what really they intend to do. Are they going to move the U.S. court to get an injunction on these moves of the Union Carbide Corporation ?

In the statement nothing has been mentioned. The Minister should state categorically that 'we are going to move in the U.S. courts to prevent the Union Carbide from manipulating these things.

Another important point which my colleague, Camrade Sudhir Roy has mentioned to you is : 'Why don't we make a massive publicity campaign, publicity offensive, against the Union Carbide in U.S. ?' The Judge asked for a personal interview of some of the victims, and of these thousands of people, four people were selected and the criterion adopted was that they should know English. One was a Government servant who is living six kilometres away from this gas leakage site, and of the two others one was an engineer and one was a doctor. These three were not at all affected by the gas leakage and the only representative of the victims was a 10 year old boy who lost his sister and mother and everybody in this tragedy. They could have taken some 40 or

50 people with the medical reports of the ICMR. The US doctors could have examined them and this opportunity could have been utilised for launching a massive publicity offensive. They did not do that.

Regarding these ambulance chasers what action did the Government take? The Government of India is authorised as the sole representative of the gas victims according to a law passed by this august House.

MR. DEPUTY SPEAKER : Please wind up. You put whatever clarification you want.

SHRI SURESH KURUP : Two minutes, Sir.

They came all the way from America to Bhopal, they campaigned in Bhopal, taking signatures from the gas victims, and as far as my understanding goes, the Bhopal Municipal Corporation gave them the authority to represent them. How this happened? How the Government allowed this? (*Interruptions*).

And finally I want to know about the law firm who are engaged by the Government of India for arguing the victims' case. Sir, they never had any experience of this type of mass litigation. Apart from that, I want to know whether the Government intends to engage any other competent law firm dealing with corporate matters to counter the moves by the Union Carbide. In USA law firms are highly—*is it not so?*—specialised firms dealing with certain branches of law.

AN HON. MEMBER : Even in India.

SHRI SURESH KURUP : Even in India, but in USA especially. So you should think of engaging some new firm who are dealing with corporate matters to move the court, and the Government should take this House into confidence regarding the negotiations that are going on. There are some negotiations going on for an out-of-court settlement. I want to know whether the Government has offered that 'on such an amount of money we are ready to settle it out of court.' If so, what amount of money the Government intends to get for these Bhopal gas victims? The Government should state it categorically, the Minister should give

a categorical reply as to whether we are for an out-of-court settlement and whether we are conducting any negotiations or not.

SHRI ZAINUL BASHER (Ghazipur) : Mr. Deputy Speaker, Sir, the Bhopal gas tragedy is one of the saddest things that happened to the mankind on earth.

Sir, the trouble is that the entire matter of compensation is hanging on legal complexities. And the Bhopal gas victims are still waiting for their due relief and compensation. Today on the tragedy now we have heard a statement from the Hon. Minister which leads us nowhere. Nothing has been pointed out in the statement as to what the Government intends to do. The Government is aware of the press reports regarding sell-out by the Union Carbide and other things and they are looking into these things, considering very aspect of the matter. But they are not telling about their mind, they are not telling us as to what action they are contemplating to take. This is the tragedy. I wonder what clarifications have we to ask. When the Government is not coming out with any decision taken by it, how are the clarifications to be sought? This statement shows the complete indecision on the part of the Government of India.

SHRI SOMNATH CHATTERJEE (Bolpur) : It is the bankruptcy of thinking,

SHRI ZAINUL BASHER : No bankruptcy. Indecision, I must say.

One thing which, I still consider, was not proper, was going to the U.S. and to file a complaint in that country. We could have taken decisions in our country and we could have filed court case in our country. But I do not understand still now—though the Government has explained so many times and I fail to understand still why should we go to the United States courts. That led to many doubts. Many gas victims were persuaded by the U.S. lawyers to file individual cases and the U.S. lawyers engaged touts in our own country and persuaded the gas victims individually to go to the courts. Now, we have two sets of cases—one filed on behalf of the Government of India and

another on behalf of the individual victims. There is a tendency and I think, they are trying to have a settlement with the individual victims, out of court settlement. They are persuading the victims. They say, we are giving so much amount, you take it. This case will take many years you will not get anything; you will have to lose. Under these circumstances, the news has come that the Union Carbide is selling out its plant, giving special dividend to its shareholders. Now, why can't we take over the Union Carbide itself? Keeping in view all these things, can't we take over the unit, sell it for ourselves, take the money and give it as relief to the victims? We can do that. We have taken over many multi-national companies in our country. We can take over the Union Carbide also. Can't we sell it out for ourselves and the money can be distributed as relief to the gas victims? Why should we depend on the mercy of the U.S. courts where the legal complexities are there, where other considerations are there? The time consuming factor is there. The victims want relief immediately. They do not want to wait for many years to come. There are many persons who will die before the judgement comes; they will be no more in the world. In our country, some court cases take 20 to 25 years. There is appeal and appeal. So is the case in the United States. That may take several years, 20 or 25 years and then if the relief is given, the victim will be nowhere. He may have died. So why the delay? I urge upon the Government that the Union Carbide should be taken over. The entire business of the Union Carbide should be taken over by the Government.

**SHRI SOMNATH CHATTERJEE :**  
Without compensation.

**SHRI ZAINUL BASHER :** Of course, without compensation. There is no question of compensation. If there is necessity, we can pass a law in the Parliament for this purpose itself. If there is a legal difficulty, we can remove it. This Parliament is here and we can remove all legal difficulties.

I do not like to go into the details because the statement itself shows no decision of the Government. What clarification I have

to seek? But I must ask one question. As I have said, the Government is going to take over the Union Carbide and by taking it over without compensation.

**SHRI BASUDEB ACHARIA :** We can sell it.

**SHRI ZAINUL BASHER :** We can sell it. Take the money. What other action Government is taking to give immediate compensation to the gas victims in Bhopal? Thank you (*Interruptions*).

**THE MINISTER OF STATE IN THE DEPARTMENT OF CHEMICALS AND PETRO-CHEMICALS (SHRI R. K. JAICHANDRA SINGH) :** I share fully the concern expressed by various Hon. Members of this House. The apprehension arising out of the reported sale or attempted sale of a portion of the lucrative business, to pay off special dividend to the shareholders, to give a full answer to this, let me go back to, as to how this idea of selling the most profitable consumers item of the Union Carbide started. There was a time, as was also mentioned by some of the Hon. Members, of take over of the UCC by another company in the latter part of 1985. In order to stall this, the Union Carbide took a decision or repurchase its own shares at a very highly inflated rate. Consequent upon this, in order to pay off this, they entered into a credit agreement with some of the banks, to pay off part of this particular debt and also, as I said, to pay special dividend to the shareholders, the Union Carbide decided to sell a portion which is now known as the most profitable consumers item.

**SHRI SAIFUDDIN CHOWDHARY :**  
Why are they going to sell?

**SHRI R. K. JAICAANDRA SINGH :**  
You will get clearer. You hear. I am trying to enlighten the House by going a little more into the background.

**MR. DEPUTY SPEAKER :** Let the Hon. Minister reply.

**SHRI R. K. JAICHANDRA SINGH :**  
Old habits of disturbance die hard.

**SHRI SAIFUDDIN CHOWDHARY :**  
What is habit here ?

**MR. DEPUTY SPEAKER :** You first get the reply. The Hon. Minister listened to you. He never interfered. When he replies, you have to listen.

**SHRI R. K. JAICHANDRA SINGH :** The Government took at the earliest opportunity measures to monitor this reported sale. Whether or not, by selling this off, the Union Carbide will not be left with sufficient means, sufficient assets, to pay the claims arising

13.00 hrs.

ing out of the Bhopal incident. The first step the Government took was to have an analysis done. A Capital Adequacy Analysis was done by engaging an expert valuation consultants firm known as Houlihan, Lokey, Howard and Zukin Inc. This is the financial consultants agency which the Government appointed to closely monitor the financial assets.

*(Interruptions)*

**MR. DEPUTY SPEAKER :** Please listen first.

**SHRI R. K. JAICHANDRA SINGH :**  
As I said, Sir, old habits die hard....

*(Interruptions)*

**MR. DEPUTY SPEAKER :** No clarification. Let him first finish. Don't interfere. Then you can ask. You listen first. He is explaining.

**SHRI R. K. JAICHANDRA SINGH :** I think I will try to answer.

The reason why—I am digressing a little bit—the Government of India filed a case in the United States has been told and retold on many occasions not only on the floor of this House but also in the Rajya Sabha and in different forums and if I may reiterate, the main reason for filing it in the United States was because it was the most appropriate and effective forum.

Some Hon. Members pleaded that we should take over the Union Carbide. Now how can we take over the Union Carbide which is in existence in the United States ? I can understand...

*(Interruptions)*

I can understand the concern of the Hon. Members if they mention about the Branches of the Union Carbide in India. But this is about how to... *(Interruptions)* take over the Union Carbide which is in existence in the United States. *(Interruptions)* However, after considering all the factors, in April 1985 we decided that the best forum to decide this case was in the United States. The entire gamut was looked into, discussions held at various levels and pros and cons studied and we decided in April 1985. I am not very sure whether it is April or March. Subject to that correction, either in March or April 1985 we filed the case against Union Carbide in the United States.

What is happening to-day is that against that case a motion has been filed by the Union Carbide known as motion of forum non-convenience. This is the stand which the Union Carbide themselves are taking that the case should not be filed in the United States, that the Government of India should not file the case in the United States and that it should go back to India the same stand which the Hon. Members over there are taking. The apprehensions which the Hon. Members are expressing are exactly the same and they are taking the same stand which the Union Carbide is taking....

**SHRI SAIFUDDIN CHOWDHARY :**  
What is that ?

**SHRI R. K. JAICHANDRA SINGH :**  
...that the case should be tried in India, whereas the Government after a thorough discussion and after discussion with the legal luminaries and of the pros and cons of the case decided the best forum was to go to the United States. For obvious reasons I cannot go into details. It will not be in public interest...

*(Interruptions)*



MR. DEPUTY SPEAKER : You give a separate notice. We will see.

SHRI R. K. JAICHANDRA SINGH : ...to state each and every thing. That answers the first part of the question.

*(Interruptions)*

I have many more important questions to answer.

SHRI NARAYAN CHAUBEY (Midnapore) : You please go by priority.

SHRI BASUDEB ACHARIA (Bankura) : He is coming to that.

SHRI R. K. JAICHANDRA SINGH : As I said, I digressed a little bit and I now come back to the main point. We have appointed a consultancy firm in the United States which is closely monitoring. But I cannot disclose the details. I share the views and apprehensions definitely. The study report of this consultancy firm was based on information provided by the UCC itself because we moved the Court. Certain information on the liquid assets or otherwise will have to be given by the UCC. We took protection of the Court and the Court under stipulation of confidentiality directed the UCC to give us this information. On the basis of this information that this expert firm on finance is studying the different aspects of the UCC to have Capital adequacy analysis report which unfortunately cannot be disclosed, because, as I said, on the basis of the information available from the UCC which is stipulated under the confidentiality, it cannot be divulged at this moment. I can assure the Hon. Members that the Government is closely monitoring the existing assets of the UCC, even after having sold off this particular consumers division to know whether that will be sufficient...I have mentioned in my speech that this sale will actually be consummated only sometime in June 1986 and as I again referred in the beginning, there are two main reasons for selling this. The other one is to pay for the debt incurred from the Bank and to pay a special dividend to the share-holders.

SHRI BASUDEB ACHARIA : He has admitted it.

SHRI R. K. JAICHANDRA SINGH : Yes, it is a fact—to pay off the debt to the bank ..

SHRI BASUDEB ACHARIA : Nothing will be left out.

*(Interruptions)*

MR. DEPUTY SPEAKER : Let him finish.

SHRI R. K. JAICHANDRA SINGH : The special dividend to be paid to the share-holders is subservient to the Bhopal claims. This much of information I can share with the House.

SOME HON. MEMBERS : How ?

SHRI SAIFUDDIN CHOWDHARY (Katwa) : They are out to sabotage the victims' compensation. He is not taking that into account.

SHRI SURESH KURUP (Kottayam) : Please allow me to seek a clarification.

MR. DEPUTY SPEAKER : Don't interrupt him. I will not allow anyone to seek clarification.

SHRI SAIFUDDIN CHOWDHARY : We cannot understand why the sale is taking place.

*(Interruptions)*

SHRI SURESH KURUP : What about the earlier move ?

SHRI BASUDEB ACHARIA : You are justifying the sale.

*(Interruptions)*

SHRI R. K. JAICHANDRA SINGH : What I am saying is that even paying of the special dividend to the share-holders will not be done unless the Bhopal claims are first finalised. This is what I am trying to convey.

SHRI SAIFUDDIN CHOWDHARY : Who is taking ?

**MR. DEPUTY SPEAKER :** The Government is taking.

**SHRI SAIFUDDIN CHOWDHARY :** We will be left high and dry. Why are we not moving the Court ?

*(Interruptions)*

**SHRI R. K. JAICHANDRA SINGH :** I will come to that. There is a slight mix-up. As I said, there were two reasons for selling off this. One was paying of special dividend and the other was paying off the debt to the bank, the mortgage bank. I am saying subject to correction. The special dividend is not subordinate, but the paying off of long fire debts which runs into about 1.4 billion, which is the amount to be paid to the share-holders, is subordinate to the Bhopal claims.

**SHRI SAIFUDDIN CHOWDHARY :** What is the other amount ?

**SHRI R. K. JAICHANDRA SINGH :** This is about the same—1.14; and 1.4...

**SHRI SAIFUDDIN CHOWDHARY :** How will it be obligatory on the part of the Company ?

*(Interruptions)*

**SHRI R. K. JAICHANDRA SINGH :** I can categorically say that the Government is closely monitoring and the Government will take a pre-emptive action at the appropriate time...*(Interruptions)*

**SHRI SURESH KURUP :** What is the appropriate time according to you ? They are selling off their assets, they are doing all sorts of calculations. You are not moving the court. *(Interruptions)*

**SHRI BASUDEB ACHARIA :** The amount will be distributed and then you will take appropriate action !

**SHRI SAIFUDDIN CHOWDHARY :** He has to clarify this. He has said that it will be subservient to the claims of the Bhopal victims. Who has decided that ?

**MR. DEPUTY SPEAKER :** He is also as much concerned as you are.

**SHRI SAIFUDDIN CHOWDHARY :** He has said that one part will be kept for the Bhopal victims. Who has decided that ? How will it be obligatory on the part of Union Carbide ? He should say that.

**MR. DEPUTY SPEAKER :** You sit down. Then he will reply.

**SHRI SAIFUDDIN CHOWDHARY :** Who will see to it that it is kept for the Bhopal victims ?

**MR. DEPUTY SPEAKER :** He has not yet finished his reply.

**SHRI NARAYAN CHAUBEY (Midnapore) :** Are you satisfied with the reply, Sir ?

**MR. DEPUTY SPEAKER :** He has not yet finished his reply. And you are asking whether I am satisfied or not. How can I say that ? He has not yet finished his reply.

**SHRI R. K. JAICHANDRA SINGH :** I may also inform the Hon. Members that as early as 23rd December, 1985, our Attorneys had informed the UCC through a letter and again on 21st April, 1986, expressing our concern about the financial restructuring and putting the company to notice to give appropriate consideration to the magnitude of the claims of the Bhopal victims before any payments are made to the shareholders. This is on record.

*(Interruption)*

**SHRI SAIFUDDIN CHOWDHARY :** On whose record ?

*(Interruptions)*

**AN HON. MEMBER :** He is not even moving the court.

**MR. DEPUTY SPEAKER :** Do you want reply from him or not ? If you go on interrupting like this, he cannot reply...  
*(Interruptions)*

**SHRI INDRAJIT GUPTA (Basirhat) :** Why can't they seek an injunction from the Court? They can get a stay order from the court on the selling away of the assets. Ultimately we will be left with no money to pay the compensation... *(Interruptions)*

**SHRI R. K. JAICHANDRA SINGH :** The Government knows what it is doing. The Government is closely monitoring this. I share the concern... *(Interruptions)*

**MR. DEPUTY SPEAKER :** If everybody interrupts like this, how can he reply?

**SHRI SAIFUDDIN CHOWDHARY :** 'Close monitoring' they have done by stopping food relief to the victims. They should do some 'distance monitoring' to stop sabotage by Union Carbide in the USA.

*(Interruptions)*

**SHRI SAIFUDDIN CHOWDHARY :** Are they supporting Union Carbide? It is a national shame.

*(Interruptions)*

**AN HON. MEMBER :** They are defending Carbide it seems.

*(Interruptions)*

**SHRI SAIFUDDIN CHOWDHARY :** Have mercy on them. They do not know what they are doing.

**MR. DEPUTY SPEAKER :** Take your seat Sir. Mr. Minister, have you finished?

**SHRI R. K. JAICHANDRA SINGH :** Just one more point Sir.

**MR. DEPUTY SPEAKER :** He has not yet finished. First let him finish. I cannot protect you if you go on arguing like this.

**SHRI SURESH KURUP :** You should ask him to give a clear reply.

**MR. DEPUTY SPEAKER :** You are not allowing him to answer. How can I protect you?

**SHRI R. K. JAICHANDRA SINGH :** Just one last clarification on the settlement

which many Members have raised. We have just received a telex message yesterday from our Attorneys—your attorneys if you are very much a part of the country—saying that even Anderson has categorically stated that

“A settlement without the Government of India is an empty settlement”

I can read out a few portions of that.

**SHRI SAIFUDDIN CHOWDHARY :** We have already read it.

**SHRI R. K. JAICHANDRA SINGH :** If you have read it, let the other Members of the House share this also.

**SHRI SAIFUDDIN CHOWDHARY :** They say don't be impatient, let us see what is happening.

*(Interruptions)*

**SHRI G. L. DOGRA :** You cannot allow everything like this. After all, you go according to the rules.

**KUMARI MAMATA BANERJEE :** You cannot allow them.

**MR. DEPUTY SPEAKER :** Madam, take your seat.

**SHRI R. K. JAICHANDRA SINGH :** Sir, he held a Press Conference and he says :

“That is an empty settlement in many ways without the Government of India. Mr. Anderson stated that the 350 million dollars was part of the give and take that is necessary in the settlement process. Mr. Anderson also acknowledged that Union Carbide had miscalculated in early settlement efforts stating that ‘I didn't understand that a natural disaster and a man-made problem produce different emotions’.”

Even Mr. Anderson realised this. He knows that any settlement .

**SHRI SAIFUDDIN CHOWDHARY :** What happened to them?

(Interruptions)

**SHRI R. K. JAICHANDRA SINGH :** May I reiterate by ending that a motion seeking protective order can be filed, a detailed financial analysis has to be done and that is being done by the firm which I have just mentioned? It is only after this financial analysis is completed that the Government can take a view on the pre-emptive action of stalling further sale.

**SHRI SAIFUDDIN CHOWDHARY :** No answer to our specific questions has been given.

**MR. DEPUTY SPEAKER :** That is all. He replied.

**SHRI BASUDEB ACHARIA :** He has not replied why the Mayor visited USA.

**MR. DEPUTY SPEAKER :** He replied.

(Interruptions)

**SHRI NARAYAN CHAUBEY :** He has not given any reply why the Mayor was allowed to go.

(Interruptions)

**MR. DEPUTY SPEAKER :** He has already answered. Now we will go to the next item.

(Interruptions)

13.19 hrs.

#### BUSINESS ADVISORY COMMITTEE

[English]

#### Twenty Third Report

THE MINISTER OF STATE IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABI AZAD) :  
Sir, I beg to move :

"That this House do agree with the Twenty-third Report of the Business Advisory Committee presented to the House on the 25th April, 1986".

**MR. DEPUTY SPEAKER :** The question is :

"That this House do agree with the Twenty-third Report of the Business Advisory Committee presented to the House on the 25th April, 1986".

*The Motion was adopted.*

**MR. DEPUTY SPEAKER :** Now we will take up Matters under Rule 377.

13.20 hrs.

#### MATTERS UNDER RULE 377

[English]

- (i) Need to include Maithili in the Eighth Schedule of the Constitution

**DR. G. S. RAJHANS (Jhanjharpur) :** Maithili has a special place among Indian languages. India is a multi-lingual nation and every language has its special cultural and regional value. Maithili was assured of all Government patronage at the time of its inclusion in the Central Sahitya Akademi on the basis of its being competent to have a place in the Constitution. The language was in no way inferior to any other modern Indian language, and the people speaking it were rightly proud of it.

Nearly three crore people speak Maithili in different parts of the country. There are daily newspapers in Maithili. Besides, there are innumerable periodicals in the language. Hundreds of Ph. D. Thesis have been published in Maithili. Besides other States; post graduate teaching is conducted in Maithili in Bihar, U. P. and West Bengal. It is an irony that whereas it is the second national language in Nepal, it is being ignored in India, the country of its origin.

According to philologists Maithili is as old as Sanskrit, and as sweet as any other language in the world. As such, it should be given its rightful place and included in the 8th Schedule of the Constitution of India.