

consider our letters carefully. We write to the different Ministers but we get almost similar replies from all the ministries. I wrote a letter to the Defence Ministry regarding setting up of an Ordnance factory in Andhra Pradesh. I received a reply stating that there was no proposal to set up an ordnance factory in Andhra Pradesh during the Seventh Five year Plan. And when I asked a similar question in Lok Sabha, I was told that an arrangement was being made to set up an Ordnance Factory in Andhra Pradesh. What I want is that whenever we write any letter, we should get some satisfactory reply. The Ministers try to shield the mistakes of their subordinates. We approach you when your officers fail to solve our problems. You must be convinced. You have sufficient staff such as Private Secretary, Addl. Secretary but even then, to our dismay, our problems are not looked into. Therefore, I request the Minister to use his powers for the benefit of the people. I had asked a question about electricity charges, water charges and house rent outstanding against the Members and the details about these had appeared in the newspapers. We feel sorry when such things are published in the papers but when a question is asked then the details appear in the newspapers as well. The government is to receive the money and it is to be paid to the Delhi Development Corporation. But it really pains us to see things appearing in the newspapers. Attention should be paid to this matter, That all that I want to say.

16.01 hrs.

DISCUSSION RE : INCREASING AND
RECURRING LOSSES IN COAL
INDIA LIMITED

[English]

SHRI BHATTAM SRIRAMA MURTY (Visakhapatnam) : I raise this discussion on the increasing and recurring losses in Coal India Limited. Year after year we find the losses are not only increasing but are bound to increase for ever. The Minister, in his own reply, tried to clarify the position, but, then

never offered any positive solution which would ultimately help to reduce the losses and help the industry to arrive at a break-even position. Hence the discussion has become necessary.

Ever since the nationalisation of the coal mines in the year 1973 we made very huge investments to the tune of about Rs. 5000 crores so far. Not only that, year after year we are also making very huge capital expenditure.

16.02 hrs.

[SHRI SOMNATH RATH *in the Chair.*]

For instance, in the year 1982-83 about Rs. 740 crores were spent on capital expenditure in CIL. In 1983-84 about Rs. 831 crores were spent. In 1984-85, Rs. 834 crores were spent. Only last year about 16 coal projects estimated to cost about Rs. 1000 crores were sanctioned. That is the order in which we are making commitments in this front.

In Coal India a number of mining projects were sanctioned. 175 of them are at various stages of construction. The sanctioned capital for them is Rs. 5540 crores. Of course, 47 of them have been completed. So, this is the magnitude of the expenditure which we are incurring on the coal industry. That being so, we are naturally interested in examining what are the returns we are getting and what is the performance of this industry? What is the net out come? If I take Coal India Ltd., in the year 1982-83 the losses were Rs. 127 crores. In the earlier year it was only Rs. 5.34 crores. In 1983-84 it went upto Rs. 246.68 crores. In the year 1984-85 it was Rs. 78 crores. In the year 1985-86 the estimated or projected loss is of the order of Rs. 364 crores. So this is a continuing phenomenon. This is an ever-recurring phenomenon. The Minister has tried to justify the increase in the administered prices of coal on the ground that the losses have got to be offset. The price increase is warranted to effectively reduce quantum of losses incurred currently by the Coal Industry which was traced to the escalation in cost of production etc. etc. But for this recent increase in prices, what would have been

[Shri Bhattam Srirama Murty]

the losses? This is also a point of interest to know. We will have to look into this aspect. The Minister in his reply brought out this point very clearly. In the year 1984-85, the Coal India Limited incurred actual loss of Rs. 78 crores. If the prices have not been increased, the loss could have been Rs. 365 crores. Similarly, in the year 1985-86, the projected loss is Rs. 395 crores. But for the recent increase in prices, the loss could have been around Rs. 500 crores. So, this is the situation which we are now facing today.

Sir, I may now refer to the Eastern Coal Fields. In the year 1981-82, the loss was Rs. 87.85 crores. In the year 1982-83, it was Rs. 97.21 crores. In the year 1983-84, it went upto Rs. 127.88 crores. The losses have increased from Rs. 87 crores to Rs. 127 crores in just two years. When we look into the Bharat Coking Coal Ltd., in the year 1981-82, the loss was Rs. 40 crores. In the year 1982-83, it was Rs. 44.85 crores. In the year 1983-84, it was 191.89 crores. Here again the losses are increasing. If we take the cumulative losses into consideration, for Coal India Limited they come to Rs. 1108 crores. The cumulative losses of BCCL come to Rs. 777 crores. The cumulative losses of Singareni Colliery come to Rs. 195.60 crores. Since nationalisation, the Coal industry has lost more than Rs. 1200 crores. The net worth of this industry almost has become negative. This is a sad state of affairs which the Minister will have to look into.

Sir, from time to time the prices are increased with a view to off-set the losses which are increasing. Whenever the industry runs into losses, they want to increase the prices with a view to reduce the quantum of losses. About 3 price revisions had taken place between 1979 to 1985 the price was raised from Rs. 101 per tonne to Rs. 183 per tonne. Since 1970-71, coal prices were increased 6 times. During the Sixth Plan period, while the commodity prices increased by about 55 per cent, the cost of production of coal increased by 108 per cent. Since nationalisation, the coal industry prices have gone up by 40 per cent. Such rise was detrimental and even dangerous to the industries which are

facing recession. In this connection, I would request the Minister to ponder for a minute on a very important aspect *viz.* prior to the nationalisation the cost of the coal was Rs. 47.53 per tonne. Now it is Rs. 210 per tonne. This is the situation. Is it not a major factor which requires thorough probe? Why not the Minister do something about this, with all his dynamism, with all his commitment, with all his sincerity to do something to improve the coal industry. He has to open up a new chapter and restore the health of this industry which has chronically turned red.

The Chairman of the Coal India Limited, some time back, gave certain figures to the Minister stating that the previous years' losses of Rs. 200 crores were going to be wiped out and a profit of Rs. 13 crores is going to accrue in the year 1984-85. After the Auditor General's report came, ultimately the facts turned out to be otherwise: instead of a profit of Rs. 13 crores, the actual loss was Rs. 90 crores. The Minister was naturally angry. He had given these figures on the floor of the House and obviously it would amount to misleading the House—which, of course, was not his intention. I am not trying to find fault with him on that score. He was rightfully angry with the officers who had furnished him wrong figures. But ultimately what was the result? The Secretary blamed the Chairman, Coal India Limited; and the Chairman, Coal India Ltd., blamed subsidiaries. That is how it went on—passing on the buck, without fixing the responsibility. This is a perpetual process. This is a vicious circle. This goes on endlessly and limitlessly. Therefore, what happens? Even the figures which are supplied from time to time lost credibility. They appear to be doubtful.

At this stage I would like to refer to another aspect. Mr. Mahip Singh, Chairman of the Western Coal fields Ltd., was addressing a meeting recently along with the Minister. He shared a common platform he expressed certain views. Western Coal fields is a subsidiary of CIL. He squarely blamed the politicians and the Mafias that were operating. He clearly charged that because of them the coal industry was running into losses. He emphatically said that the Mafias were being politically backed. He said, "Mafias are operating; and we are

getting killed". That was the substance of the speech made by him on that occasion while sharing a common platform with the Minister. It may be recalled that Mr. Gujral had to leave CIL because he was treading on the toes of power lobby, the coal Mafia, having connections with higher-ups at the Central or State level. It is not vouchsafing for it. It is for the Minister to repudiate or confirm this or say something different by way of clarification. The Mafias are operating. The Minister just cannot trace the losses to escalation in cost of production. There are other factors which are operating, which required to be looked into. The Minister says that he is taking action, initiating action, he is launching an action programme. What is required is action on a wide front which must be directed against the corrupt persons, however big or highly placed they may be.

Another malady which the Minister has to look into is this, that is, writing off of coal stocks. In the Eastern Coalfields, the Ministry must be rightly concerned with the large scale writing off of coal stocks which has become a common malady. There are widespread discrepancies in coal stocks held by, particularly two mines; I am referring to Mohanpur and Chitra. The total discrepancy comes to about nine lakh tonnes, the value of which comes to about Rs. 13.39 crores. That is the amount written off. It is published in the Indian Express sometime back. I am quoting a report from the daily press. It refers to the Eastern Coal Fields. In the year 1982-83 a sum of Rs. 8.23 crores at one time, another sum of Rs. 5.68 crores and yet another sum of Rs. 3.08 crores were adjusted towards shortages of coal. Writing off of such huge amounts has become a common malady. If it goes unchecked, if it becomes a regular practice and habit, one can never stop the losses inspite of the best efforts of the Minister.

About pit-heads stocks let me refer to two or three mines—Gourangdeh, Mohanpur, Chitra and Simili. Here, at pit heads the stocks equivalent to 18 months to 73 months stocks are lying. There is a rule to the effect that more than one month's production cannot be kept at the pit heads. But the actual position is something otherwise. Naturally there are losses, there are pilferages. That can be easily understood.

Therefore, something requires to be done with a view to effectively and rigorously implement this rule.

During the 6th plan period it was said that the projections of demands for coal was inflated to the extent of 10 to 15%. The demands were excessively assessed. The net result is that there was more production. Excess stocks valued at Rs. 550 crores of have been lying in the pit heads. Naturally pilferages occur; recur and increase.

Another aspect which the Minister has to take into consideration is the poor quality of coal. With the poor quality of coal supplied deductions were made by the consumers in the last five years.

In the year 1980-81 Rs. 9.12 crores were adjusted.

In the year 1981-82 Rs. 6.64 crores were deducted.

In the year 1982-83 Rs. 10.87 crores were deducted.

In the year 1983-84 Rs. 20.97 crores were deducted.

In the year 1984-85 Rs. 27.12 crores were deducted.

It is an ever increasing figure. So, the poor quality of coal which was supplied is increasing. What are the steps now being taken to examining and finding out whether the quality or grade of coal is supplied as per the requirements ?

It is often observed in power stations that the ash content of the coal supplied is about 40%. Power stations have to use coal with such large ash content, with the inevitable result that Power Stations are put to huge losses. Obvious difficulties are being faced by them. If you look into the news items occasionally from the daily press, you will find news items like "Ferozabad in the grip of coal black-market", "Coal pilferage from Coal India Ltd. affects business", etc. These are all various factors which normally contribute to losses. They have to be gone into. Some specific steps should be taken by the Minister with a view to improve the working conditions in the coal mines. Instead

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if the Minister only harps on one single theme *viz.*, that the cost of production is more whereas the sale price is less, we go nowhere. He says that we are deliberately following a public policy with a view to see that the power is supplied to the farmers and the consumers at a reasonable rate. That is the main plank on which the argument of the Minister rests. But is it a fact! When you look into the figures of escalation of power tariff, thereagain the facts belie the contention of the Minister. He knows it very well—He has dealt with various Ministries. He has administrative acumen—what will happen in steel sector, cement and fertilisers industry. The increase in price of coal will have an inevitable effect of increase in prices of various commodities in all these sectors. Therefore, this has to be checked at the initial stage at the level of production of coal itself.

The Minister again says that the costs are going up. Another reason given is that the labour costs have become prohibitive. Let me tell him that you will not be able to dispense with the labour. In any case you will not be able to produce anything worthwhile without labour inspite of the capital you may employ. There can be no production and wealth and development without labour. You cannot under-pay them and boost up your figures of profit. Let not the Minister think for a moment that as he paid more to the labour and therefore the losses are on the increase. This is a legitimate obligation, which he has to fulfil because of the socio-economic philosophy to which we are wedded. We are committed to this socio-economic philosophy. Therefore, why grudge on that point and reiterate it time and again. May be it is a fact that there are more number of people than required ?

Sir, the obvious answer is that you will have to increase the production manifold. When you increase production the other things will be set right. When compared to China we could have come to the stage where we could have produced not 150 million tonnes as if now but 500 million tonnes. But how is it that we are not able to do that? If you could do that, things would have been different and better. You should devise such methods where you are able to increase production and reduce the

cost and do justice to everybody, let not this be done obviously at the cost of the labour. Minister generally reiterates that in pursuance of a public policy we are deliberately resisting increase in prices commensurate with the actual cost of production that pronouncement does not bear scrutiny in the light of the actual facts. As far as the labour is concerned, the expenditure component which goes to labour let us not grudge it. This sounds anti-labour even though it is not the intention of the Minister. That point should not be repeated time and again.

The Minister will have to look into the whole gamut and find out the actual reasons and methods whereby he would be able to reduce the losses. He will have to devise suitable steps to ensure that the losses are contained and eliminated and the entire coal industry is put on a sound footing and its health is restored.

SHRI K.P. SINGH DEO (Dhenkanal) :
Mr. Chairman, Sir, it is only about a decade and a half that both the coking and non-coking coal industry have been nationalised, and the aims for which it was nationalised are amply clear to the House, and the House is rightly concerned about the huge loss, the cumulative loss is worth Rs. 1215 crores up to 1985, as has been given to us by the hon. Minister. It is not only a fact that there is a mounting loss of a public sector undertaking but the public sector undertakings are sought to be in the commanding heights of the country's economy. We have laid great emphasis, in the Seventh Five Year Plan, on the functioning, productivity and the revenue generation of these public sector undertakings which will have not only a direct effect on the infrastructure that is, in the generation of power, production of steel, production of fertilisers, production of cement, etc, which are the barometers of the country's economic progress, but at the same time these public sector undertakings will regenerate revenues not only for improvement of the public sector undertakings but also will go a long way in funding the Plan. Therefore, the plan objective of the Government is to achieve the plan targets as well as the objective to which the Government is committed. It is therefore in the fitness of things that the hon. Member has raised this discussion and I am sure the hon. Minister, who himself comes from the coal-bearing area of the

Western Coal-fields—Nagpur—is doing well and he is also aware of the difficulties and pitfall in the Eastern Coal fields as well as the Bharat Coking Coal Limited, which are the two grey areas, which have not been generating revenue to the general revenues of the Coal India Limited.

Now, Sir, this is a non-renewable source of energy, that is, fossil fuel and India has more than one per cent of the world's total coal reserve. This has been confirmed by the geological statistics. But there are vast areas which have not yet been geologically mapped, geologically surveyed. Nor has enough effort been made to explore it because we seem to be under illusion that this coal is going to last us more than 350 years. Now, before nationalisation, the coal itself was being exploited in a most unscientific way and the manner in which the conservation of this enormous non-renewal sources of energy, that is, fossil fuel, was made requires serious attention. It is time now that we must husband our resources, we must conserve our coal, even though the various grades of coal—those metallurgical, non-metallurgical coking and non-coking—should be utilised by using modern methods, modern techniques and with scientific methods of conservation. In developed nations, even coal which has higher content of ash than that is available in our country, they are being utilised for various purposes by using what is known as fluid-bed-process. Therefore, there is no reason why we cannot innovate and modernise our coal which has got high percentage of ash content, so that we can conserve the better type of coal for the future, and make optimum utilisation of our resources. The hon. Minister has, time and again, in this House, as well as in the other House, reiterated the fact that in-depth studies on the working of these two Eastern Coal-fields and the Bharat Coking Coal Limited has been resorted to. The reports are being studied. In fact, the Chari Committee report which has been submitted is under consideration, whereas the Banerjee Committee has yet to submit its report to the Government. Apart from that, we have the Public Undertakings Committee, the Fazal Committee and a host of other Committees, both from the Government and the public undertakings to look into the various aspects which have beset the coal industry, so that there is increased production and increased productivity. It will be

interesting to note that our productivity—and I am subject to correction—is between one tonne to five tonne mandays as compared to thirteen tonnes to fifteen tonnes mandays in other advanced coal producing countries. This is a grey area which we can certainly look into, as other advanced countries have done by having an integrated approach and an in-depth study for raising of the productivity.

As the hon. Member who spoke before me mentioned, the administered prices have been resorted to vis-a-vis the labour cost and other reasons which have been given, that is, the erratic power supply, the law and order situation and various geomining and geological reasons but a time will come when we cannot just brush aside these factors and keep on emphasising that these are the very reasons. We must find a solution to this and it is heartening that the Ministry and the hon. Minister and Coal India have over the last four-five years taken drastic and positive steps to tackle these problems and it has started showing results. Even for the welfare activities, only yesterday the hon. Minister has brought a legislation in this very House which was long overdue. In fact, one of the informal Consultative Sub-Committee, of which the present Chief Minister of Bihar, Shri Dubey, was the Chairman and who himself is a labour leader, and I was also a Member of that Committee, had visited the Western Coal (India) and various coal fields and a very comprehensive report had been submitted to the Government regarding amenities and welfare measures which were totally non-existent, for example, housing, water, and whether it was roads or educational institutions, or the matter of their provident fund and I am glad that the Government has taken very positive steps in this regard and for welfare measures alone more than Rs. 450 crores have been allocated. But in spite of that why is it that our productivity has not increased and why is it that there has been simmering discontentment? These are certain things which need more detailed scrutiny and more deeper study, and corrective and remedial action taken.

The hon. Minister in his reply to a question on 10th March, 1986 had taken the House into confidence, and mentioned :

"All efforts are being made to increase production and productivity in

[Shri K.P. Singh Deo]

the coal companies with a view to providing them with sound financial base as well as to make them fully poised to meet the growing demands of coal in the years to come. Various measures being adopted to increase production and improve productivity in coal companies include investment in new mines, fuller utilisation of mining capacity already created, more efficient use and better maintenance of equipment, stricter control of inventory and economy in the use of stores, better use of man-power by controlling absenteeism and enforcing discipline and identification of surplus workers and their redeployment after suitable training, better availability of scarce inputs like explosives, timber, etc., reduction of pit head stocks by faster movement and more systematic distribution, expeditious and timely completion of new projects and improvements in the law and order situation and control over mafia activities in Bihar-Bengal coal fields."

These are serious reasons which have been put forth and I am sure that the hon. Minister will tell us about the steps taken in this regard. Not only the steps, I am sure, there must be proper monitoring and implementation of the recommendations made by various expert committees, of the decisions of the Government as conveyed to the holding companies, *i.e.* the Coal India Limited in this Coal and its subsidiary companies. I would also like to know whether there is any time-bound programme, whether there is any evaluation as to the measures taken so far have yielded results and as to what extent there have been improvements. This entire process has to be on a systems approach and on an integrated approach and basis and it has to be a continuous effort. It is not as if we take a step today and we expect the results to come. It is not as if it is a game of cricket, where the batsman and the bowler keep on trying to battle with nerve or wit, the ball trying to hit the bat or the bat trying to lift the ball and so on. This is a situation where we shall have to take a positive and very deliberate action to see that the recommendations of the various expert committees, the suggestions of the hon. members and the decisions of the Govern-

ment are implemented in letter and spirit within a time-bound programme, because time is the essence of every thing and unless timely action is taken, it has no significance and no meaning. A stitch in time saves nine.

Now we are informed that the Bureau of Industrial Costs and Prices is also looking into the entire aspect of the price structure and the administered prices. The Public Undertakings Committee's 17th Report of 1981 has attributed to basis the single largest factor is the pricing of the product. Therefore it is in this context that the cost of production takes on a very important aspect in the entire pricing. Unless we increase efficiency, unless we bring down the cost of production, we shall have to resort to this sort of administered prices which can have a cumulative effect on the entire economic development, because coal has such an important role to play in the infrastructural development, on which both the Sixth Plan and Seventh Plan have laid a great emphasis, specially for rapid economic development for removal of regional inequalities and regional imbalances.

There is also an anomalous situation where one-third of the coal fields in the open cast mine coal bearing areas produce two-thirds of coal produced in the country and they are dissipated in two-thirds of the area. Whereas two-thirds of the working force whether it is men or material, personnel or machinery, is confined to one-third of the underground mining area, which accounts for only one-third of the total production. Therefore the husbanding of the resources, efficient management of both personnel and machinery, the man-machine relationship, communication between policy makers and implementers have to be given a far more serious look than has been given so far. As I mentioned, it is only a decade and a half that the nationalisation has taken place and various steps have been taken, which is a step in the right direction and it has started showing results. Although, my hon. friends from the opposite side did give a lot of figures of the various losses and the targets as well as the cost of production, but it is still a fact that whenever newer investments is made for modernisation, for a newer working for exploiting newer areas, it does have a gestation period and I am sure the

hon. Minister will take us into confidence, on the results and the impact of these innovative measures which the Department and the Ministry has taken or the holding company—Coal India has taken.

Sir, many Members both in this House as well as in the Consultative Committees as well as in the various Committees had been pressing and emphasising the fact that most of the coal fields were unwieldy and it is difficult to manage. The command in control structure was affected because of the unwieldiness and the two way communication between the policy makers, the administrators and those working in the Coal fields was difficult. Therefore, I must congratulate the Minister and the Ministry and the Department of Coal for creating two new companies, that is the South-East Coal Fields as well as the Northern Coal Fields with a view to restructure and streamline the functioning and to make it more effective, more cost effective and have better management. And I must also congratulate him because from my own home State in Orissa, the Talcher Coal Fields which has a huge deposit of coal, which now produces about 3.5 million tonnes as well as the Ib Valley which was in the Western Coal Fields, which produces about 2.5 million tonnes, and the Talcher in the Central Coal Fields, both in the same State, were in two different holding companies. Therefore, the management interaction have left a lot to be desired. Now for the first time, they are in one holding company that has also comes under it the Bilaspur and Ambikapur fields as a part of the South Eastern Coal Fields. Likewise, I am sure as the improvement takes place in coal production, as the improvement takes place in the management, optimum level of production will accrue, whereby other areas will also have this sort of structure, so that once again the administrators and the workers would have a chance to improve the coal production, which our hon. Member on the opposite side was mentioning. And a day will come when both Orissa Coal Fields will come under a single holding company, that is the Orissa Coal Fields, which has been a long standing demand from the Members of the Orissa, as also from the other States.

Before, I conclude, I would also like to mention here that since in the operation of

coal production and in its transportation, as well as on distribution to various areas, which does effect the cost production and cost of not only coal but also that of power, fertilizers, cement and steel, the concept of having pit-head super power thermals in various pit-heads is a very welcome development. And in this regard, this sister Department, that is the Department of Energy of which the hon. Minister is wearing the second hat will also give due consideration and take a firm and expeditious step to see that the Ib Valley and the Talcher Super Thermals become a reality within the Seventh Plan.

[*Translation*]

SHRI GIRDHARI LAL VYAS (Bhilwara) : Mr. Speaker, Sir, here we are discussing coal and as the honourable member just now said, the coal was nationalised thirteen or fourteen years ago. The Government must have estimated the loss incurred by Coal India and other companies during this period of thirteen to fourteen years. What is the amount of the loss incurred so far?

DR. G.S. RAJHANS (Jhanjharpur) : Rs. 1200 crore.

SHRI GIRDHARI LAL VYAS : Dr. Sahib tells that it is about Rs. 1200 crore. If the public sector undertakings are incurring such heavy losses, how will these establishments and the country run? We expected that you will maximise the production and contribute to make the country strong and great. But just the reverse is happening. The hon. Member has taken the charge of this department a few years back. We have asked many a time as to what are the reasons for this loss. Not the workers but the administration is responsible for this loss. People in the administration are hand in glove with those who indulge in the pilferage of coal. Many big gangs are operating there and they control the entire coal. The Managing Director, Directors and all other officers are in league with these gangsters about whom Doctor Sahib will tell in details. The word "Mafia" is used here many a time. They are the super power there and control everything. Doctor Sahib will also tell who are the members of these

[Shri Girdhari Lal Vyas]

Mafia gangs and who are indulging in this bungling. If the production of Coal India and other companies is to be increased, then these gangs and the pilferage should be controlled. The contractors are the other people who indulge in pilferage of coal. You must have observed that despite the subsidies of crores of rupees, the FCI is incurring huge losses. These losses can be avoided by engaging departmental labour. The labour force of the contractor indulges in pilferage of goods under the influence of contractors and truck-loads of goods are stolen. No account of all this is maintained and the whole system is defective. Some days back I had quoted an instance in regard to the functioning of the FCI. Departmental people work in the 'Kalyani' and it earns profits but where the contract labour works, the losses are being incurred. Fifty bags of wheat are stolen from the truck and in this way losses are being incurred continuously. You will say that contract labour is beneficial, The work is completed early and you have to pay less for it. But you have not estimated the loss of goods caused by them. So you will have to continue to suffer losses till the system is corrected. Coal India will suffer losses due to pilferage and production would not be at the desired level. An honourable member has referred to a comparative study of China and India. There is great difference in the production between the two countries inspite of the equal manpower deployed and the deployment of manpower may possible be more in India. Their production is more than ours. What are the reasons for it? The workers here don't have the same facilities as are available in China. The workers should be provided with residential facilities and the drinking water. There should be schools for their children and medicines should be provided to them. Adequate facilities should be provided to workers to satisfy them. If a worker is unable to satisfy the members of his family, he wouldn't be able to work properly. A few days back you had presented a bill for the repeal of an Act relating to the welfare activities in Coal India. At that time you had said that welfare activities under that Act had been discontinued and the welfare activities would then be carried on by the department. For this you earmarked a sum of Rs. 50 crores in the five year plan. Have you started

providing facilities to the workers with the help of the said amount of money? It is very necessary to provide facilities to the workers. Then only the workers will be satisfied and production will be increased.

You increase the price of coal quite often in a bid to reduce your losses. This is not proper. It leads to escalation of prices of other commodities. The industrialists increase the prices and thus the prices of other articles also go up. This increase in prices hits the poor people hard and you can very well imagine the hardship caused to them thereby.

This frequent price-rise causes them untold sufferings. It leads to overall price rise. You have increased the prices of the petroleum products which has affected the common man. The Members of the opposition parties who could not speak a word against our Government have now got a chance to criticise us. They could not speak against the Rajiv Gandhi's Government during the last one year but you have now provided them an opportunity by increasing the prices of petroleum, kerosene oil, coal and fertilizers. All these articles are used by the common man. Why do you give a chance to the opposition to criticise the government of the hon. Prime Minister by increasing the prices of those articles? You should work in such a way as to bring laurels to Sri Rajiv Gandhi. You should try your best to provide maximum facilities to the poor people. Instead, you are giving the opposition a chance to oppose us. You should work in such a way that none opposes or launches a movement against our government.

I would like to draw the attention of hon. Minister to the fact that by increasing the salaries and wages of workers, the cost of production does not increase. The cost of production goes up due to mismanagement, thefts and corruption. You should check all these things to remedy the situation.

With these words, I conclude my speech.

[English]

SHRI ANIL BASU (Arambagh) : We are discussing about the increasing and recurring losses in Coal India Limited,

which have accumulated to Rs. 1200 crores. Perhaps, you know that since nationalisation coal prices were revised seven times. In the year 1952 the cost of pithead coal per tonne was Rs. 14 and some paise and today its cost at pithead is Rs. 200. That means, there is a twenty-time increase in prices during the last three decades. What is the reason for that? My learned friend from the other side has spoken about it. The main reasons for incurring losses are—mafia gangs, nepotism in CIL and corrupt practices by the CIL people at the collieries and also at the high level. Actually this huge loss is a national loss.

Coal is the main source of energy and main item for development of infrastructure. But we are producing coal at a price which is causing loss of revenue. This is a matter of serious concern to all of us. When in the year 1952 the price of pithead coal per tonne was Rs. 14 and odd, in 1974 the average price was Rs. 47.50 and in Singrauli it was Rs. 50.50. But today the price is about Rs. 200. Sometimes, it has been told that the loss is due to surplus labour force, low mechanisation and due to the responsibility taken up by CIL for implementation of the Wage Board agreement. This is not the main reason. The main reasons for the loss are mafia gangs patronised by the ruling party and nepotism and mal-administration in CIL. I requested the hon. Minister to look into all these.

Two committees were appointed to go into the incurring losses in BCCL and Eastern Coal Fields India Ltd. The reports by these committees have been submitted long back. I want to know the action taken by the Ministry on the recommendations of the Committee.

Much has been spoken on this matter. So, I do not want to speak further. But the main reasons for loss are mafia gangs operating in coalfields and nepotism prevailing there. Stringent action should be taken against all these. Even years after nationalisation no action has been taken to curb the activities of these mafia gangs. They have become the rulers of coalfields areas in Dhanbad and other adjoining areas.

A few days back, there was a complete strike by all the trade unions in coalfields against non-implementation of wage board

agreement and non-implementation of welfare activities by CIL. All these should be taken into consideration. Since the demands have been put forward by all the trade unions of the coalfield region, they must be considered. If the workers are satisfied, then the production can reach the target. If you have a continuous strike and dis-satisfaction among workers, if you have

16.58 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

mafia gangs there and nepotism and mal-administration in CIL, they you cannot reach the target; and CIL cannot contribute to the development of the country to the extent it should. All these factors should be taken into consideration and I request the hon. Minister to answer to my points while replying to this debate.

[*Translation*]

17.00 hrs.

SHRI RAM PYARE PANIKA (Robertsganj): Mr. Deputy Speaker, Sir, so far as the labour welfare is concerned, I have spoken on the subject but as a disciplined soldier I shall try to conclude in five to seven minutes. I have been associated with this department since 1980 when I was elected to this House as I have been a member of Consultative Committee. Incidentally, Singrauli coal fields lie in my area and therefore, I have an intimate knowledge of this. No doubt, efforts have been made to increase coal production since 1980 as it is a very important mineral. It is a production of key industrial sector. Any increase in its price results in the increase in electricity charges and consequently the price of agriculture produce goes up. In this way, there is all round price rise. I agree that constant efforts have been made to increase coal production since 1980 and as a result we are 10 to 15 per cent ahead of the target fixed. The Coal India Limited deserves congratulation for this. I would like to give some suggestions. After nationalisation there has been over-staffing which is a very bad thing. The private sector, bad, resorted to over-staffing to the extent that it has become a headache for the Coal India. I would suggest that in the

[Shri Ram Pyare Panika]

new projects that are coming up, staff should be recruited as per norms. The Coal India Limited has also to take up some projects under some compulsions. The Abari project will incur a loss of Rs. 100 per tonne and the Kharia project will also incur considerable loss. But it is necessary to take up these projects in the national interest. It is also necessary to understand the limitation of Coal India. Shri Guptaji is sitting here. He knows that Eastern Coal Fields do not earn profit. The labour does not work and strike is almost a daily phenomenon there. The officers find it difficult to work there because law and order situation is bad. The administration has to face a lot of difficulty due to the activities of mafia gang. Pilferage of coal takes place in which State Government is also involved. Law and order is a State subject and if the State authorities do not cooperate the difficulties of Coal India Limited are aggravated. The hon. Members of the House know that only the Coal India is not responsible for law and order situation and theft of coal but different State Governments, whether it is West Bengal or Bihar, are responsible for it. I shall not talk of Uttar Pradesh because everything is going well there and the Coal India is earning profit. I have been told that the number of the officers in the administration is increasing. I do not know how far it is true. You should reduce the expenditure. Besides there are other expenditures also. The contract system is invariably causing loss. The output will be more if there is no contract system for the work of temporary nature. As regards distribution system, the movement of coal through railways has shown good result. The railways have earned profit and incidence of pilferage has gone down. There was a proposal to construct coal stock yard. I do not know why it has been shelved. The consumers were satisfied. They got coal at a very cheaper rate. This needs to be rationalized. The same is the case with respect to the coal stock yard of Robertsganj. There is no reason for supplying coal to Banaras, Ghazipur and Mirzapur from Raniganj and Jharia Coal fields. This is not in the national interest. The Singrauli Coal fields are very near. This system should be rectified. At least the Singrauli coal field in Madhya Pradesh, should feed the Singrauli district. Otherwise this will be a

national loss. You will have to tighten the reign. The officers in Coal India Limited have committed bunglings on large scale. This will have to be looked into. At the end, I appreciate the formulation of new companies like the one set up at Banaras which have been formed keeping in view the administration convenience. New companies should be set up when necessary infrastructure, and transport facilities are available.

I hope that loss in coal would be reduced. The Government have spent Rs. 40 thousand crores on this account. There is progressive improvement in every sector. So loss in Coal India should also be reduced and the industry be made viable. It is necessary because where a profit of Rs. 13 crore was expected, a loss of Rs. 10 crore has been shown. So you will have to make the officers accountable.

SHRI RAJ KUMAR RAI (Ghosi) : Sir, while Speaking on the Coal India (Field Labour Welfare) Bill yesterday, we had thanked the hon. Minister for seeking more fund in the five year plan for and for giving up priority to the coal industry. He had said that a new technique is being developed with the cooperation of the U.S.S.R. for increasing the coal production in the country for which he deserves our thanks.

The House is concerned with the ever increasing recurring loss in the coal industry. Whatever might be the increase in the production, howsoever the technology might be improved and whatever might be done by the competent Ministers, the industry will not show any improvement unless the recurring losses are checked. Coal is one of the most important means of development. The economy of the country depends on it. The construction activities depend on it. We need coal for operating Railways, Power houses, cement plants and steel plants. All the domestic affairs depend on it. Therefore, this august House should ponder over it and the hon. Minister should take the suggestions of the hon. Members seriously. This industry has a direct bearing on the economy, production and industries of whole India. The Central Government took over 214 coking coal companies in October, 1971 which were nationalised later. The objective of taking over these companies and making

them public undertakings was to give facilities to them and to expand them. The B.C.C.L. came into existence, when in January, 1983, 71 non coking coal companies were taken over which were subsequently nationalised. In 1971, as many as 184 coal mines in Jharia belt were transferred to B.C.C.L. The rest of the coal mines were transferred to the Coal Mines Authority Limited. The Central public sector came into existence in November, 1975. This was an auspicious occasion for the country. It was hoped that the management, production and distribution of coal would improve and the losses would be brought down. But when C.I.L. came into existence a lot of difficulties cropped up. India has only one per cent of world coal reserves. About 83 billion tonnes coal reserves available in the country is not going to last long to meet the demand of the country. The Minister has said that with the introduction of a new technique with the cooperation of Russia two thousand tonnes of coal would be extracted. We can depend on this to some extent.

Despite all this, if we look at the losses, we lost 3.62 million tonne of coal in 1978-79 and 6.92 tonnes in 1979-80. Now the question arises as to what are the causes of this loss of coal which is called the black gold. I was going through a report of the committee on Public Undertakings which has indentified two main reasons for this loss—tripping and absenteeism. I would like to suggest that the hon. Minister should while mechanising the absenteeism provide labourers with good housing facilities. This will help in curbing absenteeism. If you are able to raise their standard of living, provide educational facilities, create a national feeling among them that even a single day's absence from the work in the name of festival, marriage or sickness would cause a great loss to the nation, I do not think they would ever think of remaining absent from work. Therefore, my submission is that you provide all these facilities to the labourers. Only then can you expect some improvement. I am sorry to say that the C.I.L. has suffered a staggering loss of Rs. 78.03 crore against the projected profit of Rs. 13.83 crore during 1984-85. These are the figures given by the hon. Minister in reply to a question put by Shri K.K. Birla in Rajya Sabha. No doubt, a high level committee has already been set up to go into this loss

but I want that the persons responsible for this should be brought to book as early as possible and the affairs of coal industry should be streamlined on priority basis.

SHRI DAMODAR PANDEY (Hazari-bagh) : Mr. Deputy Speaker, Sir, a number of points have been made in the House pertaining to coal industry and whenever there is occasion, all the aspects are covered. But today, I want to confine myself to the aspect of loss only.

Today, there is a very wrong notion in this House and outside that nationalisation of coal industry has made it a losing venture. In 1971 and in 1973 when the question of nationalisation of this industry came before this House I had supported it. What we said at that time is true today also. I do not attribute this loss to nationalisation and I want to tell the House very emphatically that but for the nationalisation the country would have suffered a huge loss in coal sector. At that time, we had said that if the coal industry was not nationalised for the next 20 years, there would be no coal available in the country and we would have to depend on foreign countries. At that time one third of the Jharia coal belt was burning. The owners of the private mines and the Britishers after mining the coal from the upper layer left the collieries closed. It was not possible to mine coal from there because of raging of fire. The coal was left unmined where its extraction could cause loss. After nationalisation the coal industry accepted the challenge and whatever work is being done at present I do not underestimate it, I do not consider it to be small. The coal industry is shouldering such a gigantic task and the country should be proud of it. In spite of all this we are still importing two million tonnes of coking coal from abroad and perhaps, very few people know how much we have to spend on the import of this coal. The coal imported from Australia costs us Rs. 1000 per tonne but we are supplying the best quality coal to the Steel industries at Rs. 300-350 per tonne. The House should take note whether it is a profitable proposition or a losing proposition. The collieries where fire was raging—Sir, you are ringing the bell. I would take a little time of the hon. Minister because I am doing his job. People should know the facts. They should know where we are actually incurring loss.

[Shri Damodar Pandey]

The loss is being suffered in the B.C.C.L. which supplies us the best grade coking coal. But the new mine companies whether it is W.C.L. or C.C.L. are earning profit. We cannot gloss over the fact that coal company is among the ten top profit earning public sector companies. What I want to say is that wherever new mines have been started by these companies, we are earning profits but nobody has ever mentioned their names. Often explanation is sought as to why we are earning profit at one place and losing at another. Sir, the main reason for this is that the coal available on upper layers was mined by private companies and Britishers and they left the mines burning. We have to mine deeper at such places. The deeper you mine the costlier the coal. It involves greater production cost. So, we will have to bear it in the interest of the nation. If you do not want to bear this expenditure, if you do not want this loss to take place then you will have to import coal from Australia at a rate of Rs. 800 per tonne instead of Rs. 350 per tonne. You will have to decide whether you want to buy coal at Rs. 350 a tonne or Rs. 800 a tonne. If you want that 2 lakh labourers are not rendered jobless, you will have to bear the loss.

[English]

MR. DEPUTY SPEAKER : Please conclude.

Shri Rajhans.

(Interruptions)

Nothing will go on record.

[Translation]

SHRI DAMODAR PANDEY : It is true that uninterrupted power supply could have made up for the loss... (Interruption)

[English]

MR. DEPUTY SPEAKER : I have called Mr. Rajhans. Your speech would not go on record. Please take your seat.

[Translation]

DR. G. S. RAJHANS (Jhunjharpur) : Mr. Deputy Speaker, Sir, when we talk of

coal, we feel that the very concept of the public sector is lost. This industry has incurred a loss of Rs. 1200 crores so far. Sir, when we talk of public undertakings, we are reminded of coal industry and when we talk of coal we are reminded of Bihar and when we speak of Bihar we are reminded of mafia. When we discuss mafia faces of even big persons turn pale. You only control Mafia. All your losses will be wiped out.

I would suggest that a committee, consisting of members of both the Houses should be constituted which should visit the coal fields and see how mafia operates there. Many big faces will be exposed. Every party is involved in this operation. The exposure of these faces will be more sensational a news than the news of arrest of Charles Shobhraj. The hon. Minister is aware of every activity that takes place there. You increase the coal price by increasing the administered price and loot us and loot the people but you are unable to contain mafias, who openly loot all of us. The mafia is terrorising us and we do not dare speak against it. You will be astonished to hear the names of big guns involved in this operation. You do whatever you want to do but the future of coal industry is not going to improve unless you free it from the mafia influence.

Sir, Mafias have unlimited number of unlicensed arms as well as licensed arms numbering in lakhs. They openly run bomb manufacturing factories. Government knows it but we are just helpless to do anything and I do not think that we will be able to do anything.

The hike in coal prices has played havoc with our economy. Everything depends on coal. On the one hand, the people are being exploited, while a handful of people are terrorising and robbing us. But the irony is that people fail to understand that mafia is robbing them of their wealth. Our people and Government are mute spectators. After some time, we will reconcile saying that this goes on. The mafia is harassing the Government, the people and the labour. Those earning Rs. 10 as daily wage are forced to shell out Rs. 4 to the mafias. Is it justified? Earlier also, the hon. Minister said in this August House that he was aware

that mafia was committing atrocities and exploiting the people and we could do little in this matter. I would like to impress upon him that if this mafia menace is tackled the coal industry will run in profit.

SHRI LAL VIJAY PRATAP SINGH (Sarguja) : Mr. Deputy Speaker, Sir, it is true that we have achieved positive results after nationalisation of coal industry and more employment opportunities have been made available and thereby the conditions of workers and those living around coal mine areas have improved.

Today, we are discussing here the losses incurred by Coal India and other collieries. Certainly, it is a matter of concern for all of us that we have to incur such huge losses. You are aware that the hike in coal prices is to the extent of 400 per cent and we had to resort to it many times. The reason for this is that although coal is available in abundance in our country, yet it has become the lone alternative for other sources of energy. Certainly, this is a matter of concern to us.

I believe that if we take some concrete and effective measures in this regard, we will not only increase the profits of Coal India and its subsidiaries but also produce positive results.

Now, I would like to draw the attention of hon. Minister to a few anomalies. A target is generally set and it is expected that the management will achieve it by a stipulated period. But when that target is not achieved, the OMS is not achieved, the promotion prospects and the whole future of the management is jeopardied. This leads to over-reporting and an apprehension of burning of Coal stocks expressed. This is done in a planned manner and is a common feature in coal industry. It needs constant monitoring. I would like to bring another thing to your notice. Incidentally, I belong to that area which has large deposits of coal and which is the single largest coal producing area in the country *i.e.* the Charcha Colliery of Baikunthpur area which is a highly mechanised colliery in this area and is the best in the country and is giving the highest production. But it is sad that even in such a mechanised colliery the conveyor belt through which coal is transported is often stolen. If that belt can be stolen then

anything under the sun can be stolen. You can imagine how this belt can be stolen even from a colliery which remains in operation for 24 hours, and who are the people involved in it. Not only this. If any tool or equipment is stolen from South Eastern Coal Field (erstwhile Western Coal field of Coal India) no complaint is lodged. These things need more attention. The coal industry can certainly be expected to give better results.

KUMARI MAMATA BANERJEE (Jadavpur) : Mr. Chairman, Sir, at the outset I would like to congratulate the staff and the hon. Minister for running the department efficiently. But the losses being incurred by coal mines after nationalisation should be overcome. 14 years ago, Shrimati Indira Gandhi had nationalised coal industry keeping in mind the welfare of workers and in the interest of nation and production. But what is happening today? Some hon. Members have pointed out that Coal India Ltd. has incurred a staggering loss of Rs. 1200 crores so far. Similarly, the Food Corporation of India has incurred a loss of Rs. 620 crores. The hon. Prime Minister should take personal interest and look into it and ensure that these public undertakings as well as others incur no more losses. We have to enter the 21st century. So, we have to ensure that the production in this sector and in other sectors accelerates and the country makes progress. Why is the Coal India Ltd. incurring so much losses? The rule of mafia is more dangerous than the rule of feudal lords. What is the management doing? They should look into the losses immediately. What are these bureaucrats sitting in comfortable chairs doing there? They are acting against us, against the Ministers and against the Government. What punishment has been meted out to them? Why does not the hon. Minister onward them punishment? They should be certainly punished. Nobody can exploit public property or funds... (*Interruptions*)... This does not concern you. Yo may kindly sit quietly and listen.

People are facing hardship due to power shortage. There is lot of problem in controlling the law and order situation. There is a big mafia in Dhanbad. Even the Ministers are afraid of them. Why are they afraid? Why is no action taken against

[Kumari Mamata Banerjee]

the mafia? This has to be looked into seriously.

I congratulate the hon. Minister for introducing the Labour Welfare Bill in the House yesterday. The Bill seeks to improve the working conditions and to increase production and is in the larger interest of workers. If the production does not increase and the loss is not overcome, how can we expect the country to enter the 21st century?

I would like to dwell on one more point. There is need to modernise the coal mines and their equipment. If sophisticated machinery is imported, its parts are not available in the country. As a result when the sophisticated machinery is put to use it does not function properly. When it goes out of order, the spare parts are not available. This results in loss. This has to be looked into.

I would also like to submit that a geological survey of different areas in Bengal and Bihar should be conducted to find out if there is any possibility of a coal mine in the area. Besides, efforts should be made to ensure that Public Sector undertakings do not incur losses. All their difficulties should be overcome. The Government should seriously think about Coal India and ensure that it does not incur loss. I know very well that the sympathies of the hon. Minister are with the workers but the bureaucrats are not bothered about the good of the country and work in collusion with the mafia.

[English]

They are totally involved with the mafia groups. The Government should look into this matter seriously. I must thank you for having given me this opportunity to speak.

THE MINISTER OF ENERGY (SHRI VASANT SATHE) : Sir, I must congratulate the last Member for having spoken in Hindi very well.

[Translation]

SHRI DAMODAR PANDEY : Kindly speak in Hindi... (Interruptions)

SHRI VASANT SATHE : I am always keen to speak in Hindi. Sometimes I have to speak in English so that all may understand and there is no complaint that somebody has not understood me.

I am happy that when the demands of my Ministry were discussed, we got an opportunity to listen to many hon. Member. Yesterday when Coal Mines Welfare Fund (Repeal) Bill was discussed, many hon. Members put forth suggestions and similarly today the loss in coal Industry is being discussed.

At the outset, I would like to emphasize that the misgivings that coal industry is incurring losses because of nationalisation will have to be removed. Nationalisation and loss in the coal industry are not related in any way. Is it true that all the coal companies are incurring losses? It is not so. In fact, there are only two companies that are incurring losses—C.C.L. and B.C.C.L. I have explained the reasons. These companies own a large number of old and underground mines and all types of fires are raging in these mines. There is the natural fire, the fire of *mafia* and the fire of management—fire is raging all around. An hon. Member said that the ruling party gives patronage to the *mafia*. I am not aware of it. There are many coal mines in West Bengal, Bihar and Orissa and it is not possible for me to tell where the ruling party is patronising the *mafia*. But why this loss is occurring? I want to draw the attention of this House once again towards this. When the coal industry was nationalised in 1973-74 the cost of production was Rs. 46.37 per tonne. This was pit-head price. The selling price was Rs. 37.50. Now, in any industry, whether it is set up by an individual or by any company, if the product is sold at a price cheaper than the cost of production, is there any chance of earning profit? It can never be possible in any industry of the world. In 1974-75, the cost of production was Rs. 55 and the sale price was Rs. 47. The cost of production and the prices of other items went on increasing. The price of every item of raw material went on increasing. The living standard of the coal labourer was to be improved. We feel happy when the wages of the workers

increase. The labourers were exploited in the private sector. The wages averaged less than Rs. 300 per month.

ONE HON. MEMBER : Rs. 260.

SHRI VASANT SATHE : But today the labourers in coal industry are receiving a monthly wage of Rs. 2000. It is a matter of satisfaction. They should get this much. If the cost of production due to inflation and other factors which are beyond our control increases from Rs. 46 to Rs. 215 per tonne and if every time we fix the prices at a lower level, and if coal is sold at a loss of Rs. 8.86 per tonne to Rs. 30 per tonne how can then the industry be run on profit? The administered price is kept in mind. The private sector used to say that they were earning some profit. We said, coal is an essential commodity and its price should be kept low, should be kept controlled. And in doing so, the administered price was always fixed at a lower level. Even today you will see that in 1984-85 and 1985-86 the cost of production remained between Rs. 190 to Rs. 208 but we kept the sale price at Rs. 183. Then how can we earn profit? It is a fact and I want to place this before you. Secondly, we have incurred the maximum loss in two companies. In ECL, the cumulative loss upto 31.3.1985 was to the tune of Rs. 649 crores and in BCCL, the loss was Rs. 628 crores and total loss in these two companies comes to Rs. 1378 crores. Therefore, as I was trying to tell yesterday, if our production goes on increasing, along with that, our work force will also go on increasing, which can go upto 2 lakh workers in one company. With the increase in output, our workers should also get better wages. But still facilities are not there though these should be available. This is also necessary. After all, someone will have to take the responsibility for production also. In this country, we must evolve total work culture. I totally agree that it is the responsibility of the management, but management does not mean only officers. In management, the labourers are as much part as the officers are. Without the cooperation of the labourers, no management can ensure production. You must observe intently the situation obtaining in the country today and ponder over it. In our country in

1973-74 per manshift earning was Rs. 16.49 per worker and at present, it is Rs. 90 per manshift per worker. A labourer gets Rs. 90 for working for 8 hours a day which comes to over Rs. 2000 per month. But it is also necessary to look at the position of production in the country. I had put this thing before this House the other day also. They talk of the U.S.A., Australia and other countries. It was said that we imported coal from Australia on higher rates in utter disregard of indigenous production. In Australia, the manshift output is 13 tonnes and in the USA, it is 16 tonnes. In China, it is 2.5 tonnes whereas in our country it is 0.86 tonnes. In B.C.C.L. and ECL, which have mostly underground operations, the output is 0.56 and 0.69, respectively. You can very well understand that if per person production is only half a tonne how then any industry can earn profit. What is needed today is that all of us should think over it and create a new work culture. Yesterday, I had also said that so far as investment was concerned, the public had not lagged behind. A sum of Rs. 6000 crores was given to this sector. In the Seventh Five Year Plan, Rs. 8000 crores are going to be invested in the coal industry and it all belongs to our country. I seek the indulgence of the House in the evolution of a new work culture in the public sector. That is why we talked of workers participation. All our labourers and managements should together assume a new responsibility for increasing production which should be comparable with the production of other countries of the world and should make proper use of the sophisticated machinery installed. We have installed machinery worth Rs. 10 crores each but what is the use if only 20 per cent capacity is utilised and we go on recruiting more and more labourers? Of course, the labourers must prosper but, at the same time, production should also increase and discipline should also be maintained in the country. If this is done, I think, there is no reason why production should not increase. The labourers of our country are in no way less capable than any worker of the world.

SHRI MADAN PANDEY (Gorakhpur) : Management also.

SHRI VASANT SATHE : Management too can be good.

SHRI MADAN PANDEY : Streamline the management.

SHRI VASANT SATHE : That is what I am saying. The labourer of the country is good. We have efficient and able managers also. Take, for instance, Neyveli Lignite. What wonders have the labourers and management done. WCL Singrauli and many other companies have very good workers. It is the responsibility of all of us, we will have to develop a new work culture.

I am sorry that some public sector enterprises are running in loss. No public undertaking should incur losses. Public money has been invested there and by running them in losses we are betraying our country.

I am grateful to the House that all of you have given useful suggestions. I want to say one or two things more in this regard. If you want that the production in the country should increase then we will have to pay attention to the large number of people engaged in the infrastructure industry. Yesterday also, I had said this and I want to draw your attention towards this again. We want to develop this country. We want to remove poverty. Once I had given figures from a book. You will be surprised to know about the figures of 71 given by the Planning Commission. After all, where from does a man spend? He spends from what he earns. According to the 1981 census, out of 683 millions people in the country, 12 crore and 14 crores people in the Rs. 400 annual expenditure group belonged to the rural and urban areas, respectively. Of the people whose expenditure was less than Rs. 1200 per annum, 35 crores were from the rural areas and 10 crores from the urban areas. Add these two categories and you will see that there were 59 crore people whose spendings were less than Rs. 1200 per year.

What is the per capita spending power of our people? If 60 crore people spend Rs. 100 per month then on what commodities these people must be spending? 90 per cent expenditure is made on the essential commodities. I have been repeatedly saying that if the income of such a large number of people is Rs. 1200 per

month and the income of the other handful of persons is more than Rs. 1200 per month, then tell me who will be in a position to buy iron at the rate of Rs. 8000 per tonne? How many families will be able to buy coal at the rate of Rs. 210 per tonne? We have to increase production in the country. We have to instal industry in every village. 9 million tonnes of steel will be produced in the country. We will export the rest of iron ore just to earn Rs. 75 per tonne and import steel from Japan at the rate of Rs. 8000 per tonne. What should we have done? It was the dream of Pandit Jawahar Lal Nehru that the large deposits of minerals like coal and iron ore available in the country should be utilised in manufacturing steel. One hundred million tonne steel should have been produced per year. Despite the availability of cheapest labour and intellectual engineering services in the country, we could not produce more steel. It should have been our aim. What have we achieved through the public sector? We thought that the socialism meant nationalisation and nationalisation meant the public sector and the public sector meant employment of ten times more people. Some people were talking of social objectives, social objectives employing in coal mines and steel plants one lakh persons where only 25 thousand people are needed, 25 thousand where 5 thousand are required. You can see one or two power houses. In no area can there be low cost production in this manner.

17.51 hrs.

[MR. SPEAKER *in the Chair*]

SHRI DAMODAR PANDEY : I want a clarification. You said that we have the lowest output per manshift and you mentioned China, U.S.A. and Australia in this regard. But have you ever made a comparative study to the effect that given the conditions and stage of mechanisation obtaining in the U.S.A., Australia or China, the output of our workers would be lower?

SHRI VASANT SATHE : No, it will not be.

SHRI DAMODAR PANDEY : Secondly, we have more manual work in our country. You have just said that a

some places like W.C.L., E.C.L., N.E.C.L. etc., we have very efficient workers. So, I would like to know whether their output is less than that of the workers of any other country ?

SHRI VASANT SATHE : No, it is not less.

SHRI DAMODAR PANDEY : Thirdly, if the mines like the E.C.L. with present situation have been in the Australia or U.S.A. would their output have been equal to ours.

SHRI VASANT SATHE : I would like to say it categorically, as I have said earlier, that our worker is in no way less efficient than the worker of any other country if he has to work under similar conditions. South Korea and Japan are also Asian countries. The workers of South Korea have not come from heaven. They employ 14,500 workers in a factory producing nine million tonnes of steel whereas we employ 1,25,000 workers in five plants producing 5 or 6 million tonnes of steel. Machinery is the same, expenditure is the same, but our output manship is less. We employ so many persons. Mechanisation and over-employment cannot go together. This pushes the entire economy.

MR. SPEAKER : What is the solution to this problem ?

SHRI VASANT SATHE : The solution is to strengthen the infrastructure industries. We should produce more steel at lower cost and the output manship should be equal to that of the other countries. There should be mechanisation but not over-employment. What I want to say is that we should produce more steel and set up more industries in the villages. We should produce cheap coal and cheap electricity. We should supply electricity to the farmers at cheap rates to enable him to increase production. This is the only way. The House must note that without increasing the production we cannot bring socialism. We cannot set up industries in the villages if we convert the very infrastructure industry into a high cost industry and go on increasing prices. This is the basic thing.

MR. SPEAKER : Employment can be increased only by increasing production.

We cannot remove unemployment by over-employment.

SHRI VASANT SATHE : It is true that we cannot remove unemployment by resorting to over-employment. Production should increase and self-employed industries should come up in the villages. Only then can the unemployment be removed. As I have said, with heavy heart we produce 150 millions tonnes of coal against China's production of 750 million tonnes. Japan produces 110 millions tonne steel whereas we produce only a million tonne. We have to think over it. Sir, through you, I want to place these things before the House...
(*Interruptions*)

KUMARI MAMATA BANERJEE : On 9th April, there was a strike of All India Trade Unions which was quite peaceful, but the Coal India management is giving charge sheets to the workers of Rashriya Mazdoor Coal India which is affiliated to our party. Will you please order the management not to issue charge sheets otherwise the worker will suffer a lot. It was a peaceful strike and supported by All Centre Trade Unions.
(*Interruptions*)

SHRI VASANT SATHE : Yesterday, I explained as to what we had gained from this strike...(*Interruptions*) it caused a production loss of Rs. 10 crores.

MR. SPEAKER : The country is concerned with only one thing and that is that we must increase production.

KUMARI MAMATA BANERJEE : It was a peaceful strike.

SHRI VASANT SATHE : It is true that the strike was peaceful. As I had said yesterday, the trade union leaders had themselves said that the workers engaged in the essential services would not join the strike. True, at many places those workers did not join the strike but at some places they did observe strike. Only such workers have been served with show cause notices. All the seven lakh labourers have not been served show cause notices. We are not thinking of taking any action against them. They wanted to demonstrate their strength which they did. They incurred loss of one

[Shri Vasant Sathe]

day's wage and the country has suffered. What would happen if all the people strike work to put the country at ransom. I was saying that we had invested Rs. 40,000 crore in the public sector and I do not see any reason for their incurring loss.

(Interruptions)

[English]

We have to create a new work culture of productivity, responsibility and authority with accountability and total participatory culture, participation of workers in management.

SHRI INDRAJIT GUPTA : Only for workers ?

SHRI VASANT SATHE : I am talking of total management culture. Workers will participate in that and that will bring about a feeling of belonging and an attitude to reduce the cost of production in the public sector, improved outputmanship in the public section. This has to be achieved by our people in the country. Therefore, if this attitude is adopted, I have no doubt that we can control the *mafia*. After all, they are human beings, the *mafia* can be controlled, everything can be controlled, if you adopt an attitude. After all, the *mafia* is nothing different than the terrorists that we see elsewhere. They are also human beings, but when human beings go mad, then the only way to control that is and I am concluding with one saying in Sanskrit... (Interruptions)

[Translation]

SHRI V. TULSIRAM (Nagarkurnool) : I have the permission of Mr. Speaker. You were saying that we could not compare ourselves with foreign countries. So, I would like to know whether the Government is considering adopting any measures or contemplating any scheme to attain parity with those countries.

18.00 hrs.

SHRI VASANT SATHE : I am sorry you were not present. After listening to the whole Ramayana, you are asking who was Sita to Rama ?

SHRI V. TULSIRAM : I want to know whether you have prepared any particular plan ?

SHRI VASANT SATHE : That is what I have explained... (Interruptions)

SHRI V. TULSIRAM : The lady Member always tries to interrupt.

SHRI VASANT SATHE : You have Tulsi as well as Ram in your name. Even then you are asking who was Sita to Rama.

SHRI V. TULSIRAM : I know who was Sita to Rama. Are you taking any step or not ?

SHRI VASANT SATHE : We are taking the steps. Sir, there is a saying in Sanskrit :

*Guruva Bahya Vridhova Brahminova Bahumrtium
Aatayinam Aayata hanyad Ava Vicharachen.*

[English]

THE MINISTER OF STATE IN THE DEPARTMENT OF PARLIAMENTARY AFFAIRS (SHRI GHULAM NABI AZAD) : Sir, I would like to submit that the Half-an-Hour Discussion which is to be taken up now may kindly be slated for some other day.

MR. SPEAKER : Okay. I think the House agrees.

18.02 hrs.

DISCUSSION RE : DEVELOPMENT IN PUNJAB

[English]

MR. SPEAKER : We will now take up discussion under Rule 193. Shri Indrajitji Gupta.

SHRI INDRAJIT GUPTA (Basirhat) : I have tabled this motion Sir to take into consideration the statement which was made in this House this morning by the hon. Minister of Home Affairs. Now during the