

[English]

MR. DEPUTY SPEAKER: It is not going on record. No permission is given.

SHRI NITISH KUMAR: Then everything should be expunged from the record.

MR. DEPUTY SPEAKER: Whatever Mr. Dhananjaya Kumar has said, the Minister answer and what Mr. Panigrahi has said will be expunged from the record. (*Interruptions*)

16.09 hrs

STATUTORY RESOLUTION RE. DISAPPROVAL OF THE NATIONAL THERMAL POWER CORPORATION LIMITED, THE NATIONAL HYDRO-ELECTRIC POWER CORPORATION LIMITED AND THE NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED (ACQUISITION AND TRANSFER OF POWER TRANSMISSION SYSTEMS) ORDINANCE

AND

NATIONAL THERMAL POWER CORPORATION LIMITED, THE NATIONAL HYDRO-ELECTRIC POWER CORPORATION LIMITED AND THE NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED (ACQUISITION AND TRANSFER OF POWER TRANSMISSION SYSTEMS) BILL.- *CONTD.*

[ENGLISH]

SHRI PALA K.M. MATHEW (Idukki): Sir, I rise to support this Bill and I will take less time than suggested by you.

This Bill is basically meant to ensure development of national power grid on a scientific, efficient and economic basis. So, in every State, if we make a study and survey of the transmission system, we can find that there are so many gross deficiencies and defects. In my State, Kerala, I happened to be a Member of the State Electricity Board

for a few years and I know as to what had been taking place in those days, with regard to generation as well as transmission systems. If you make a study of these different States, it will abundantly prove that the system has got very gross deficiencies. Therefore, it is absolutely necessary that the whole thing should be coordinated and brought under a national grid.

Nowadays, it has become a fashion to bring in the name of mullet-nationals, the IMF, the World bank and so, on. In this context, especially with regard to the formation of this National Grid, I do not know how it is relevant in any sense. I do not know how it is relevant in any sense. I do not think any of those world organisations have got anything to do or to influence the formation of such a system, which is absolutely essential for the country. We have to do this because of so many reasons that have already been suggested here. I do not want to repeat them. One thing we have to remember is that today the world has become a global village and everything is being integrated and coordinated every where. This will help the integration of our country. So, it is rather foolish to say that this will not help to improve the economy, efficiency and also better maturity of the whole system. I request the hon. Members on the other side to support this Bill.

SHRI R. NAIDU RAMASAMY (PERIYAKULAM): Sir, I thank you very much for providing me this opportunity to participate in this debate on behalf of the All India Anna DMK. Before bringing this Bill in 1991, the Government has already transferred the power transmission systems of the National Thermal Power Corporation, National Hydroelectrical Power Corporation and North Eastern Electrical Power Corporation to the Power Grid Corporation.

The Centre had taken this policy decision to form a national Power Grid Corporation in 1981 and it took this Government - which works at a snail's pace - nine years to form the Grid.

This Bill seeks to give a final effect to the

[Sh. R. Naidu Ramasamy]

Centre's policy of 1981, that is to form a national Power Grid Corporation. By Transferring the assets of the three companies to the National Power Grid Corporation, the Bill does not simply affect the Centre's power to do that it also tinkers with the power generating and transmitting potential of the State Electricity Boards. The State electricity Boards are governed by the Electricity Acts of 1910 and 1948.

Besides, generation and supply of electricity is a subject matter in the Concurrent list of our Constitution. The Central Government has promulgated the ordinance and brought this Bill without proper consultations with the State Governments. This is one example of the high-handed attitude of the Centre in regard to matters in which States are also interested. This Bill is, therefore, a fit case to be referred to a Select Committee of the House. The Select Committee should consider all the aspects in details and report to the House the implications of the Bill on the status of State Electricity Boards.

The Government should be deeply interested in micro-Management of the generation and supply of electricity rather than managing massive systems for generation and distribution of electricity. This may lead to increased pilferages and transmission losses and in that case the Government should be squarely responsible for this. The Central Government is only interested in more and more legislations and schemes. None of these are translated into reality. The people of this country are ultimately affected.

The hon. Chief Minister of Tamil Nadu, the dynamic leader Puratchi Thalavi however, has a long record of serving the masses. With a view to improving the energy situation in Tamil Nadu, the hon. Chief Minister of Tamil Nadu has written to the Centre to give clearance to the Joint Sector Project to undertake mining and related power generation in Jeyakunadam Lignite Field. The project would cost Rs. 7000 crores and

would generate 1500 M.W. electricity. The Centre has not so far cleared the project. The purpose is to obstruct the rapid industrialisation of Tamil Nadu under AIADMK Government. The Centre, has thus, failed to perform its Constitutional duty of serving the people of Tamil Nadu.

In the same way the Centre has let down the people of Tamil Nadu by not including the third mine cut at Neyveli in the 8th Plan.

The Centre which has failed to cater to the energy needs of the country and which has failed to provide necessary clearance for the energy projects in Tamil Nadu has no right to seek approval of the House to this Bill. I, therefore, strongly oppose this Bill on behalf of AIADMK.

SHRI CHITTA BASU (Barasat): Sir, I also rise to oppose the Bill. My opposition, like the former opposition, is based on certain reasons which I will only mention and shall not try - because of paucity of this - to explain or elaborate.

Sir, this Bill is an integral part of the structural adjustment programme agreed to by the Government of India with the International Monetary Fund and the World Bank. You may appreciate, Sir, this is a simple electricity bill. Why all these things are brought in? But, as you have noticed, Mr. Deputy Speaker, Sir, that Speaker after speaker in this House has brought out the relation between IMF, the World Bank and the Government. The nexus is visible; the nexus is dangerous and the nexus is against the basic interest of our country. It is not only opposite to the basic economic interest of the country, but this, Sir, has been made out clear that this constitutes an abridgement and infringement into the sovereignty of our country. This is not just merely a case of Rs. 5000 crores or allowing a particular part of the country to receive some more amount of power or less amount of power. It is a question of principle. It is not that whether the Western region has got surplus or whether they will be in a position to supply to the North-eastern region. The question is otherwise related. Simply because the World

Bank had accused the State Electricity Board and some other organisation viz. NTPC, you cannot pass a judgement on us. One bank cannot pass a judgement on us. They say that the State Electricity Board is not working well, you have to accept it. They say that NTPC is working well, you have to accept it. Sir, this is a humiliating condition. I am sorry to say that the Government has put the Parliament into a humiliating condition. You may sell away the country. I do not know the reason. Certain facts have been stated here regarding corruption, bureaucratic attitude towards the nation a interest. It is your concern to find out all these things. The Parliament cannot give you right of selling away the basic nation's interest. You have got a majority, you can do it. Not only that, it is step towards de-industrialisation of our country. You want to globalise our economy. You want to integrate our economy. Why, this method of structural adjustment programme/ In the name of globalisation of economy, in the name of intergration of economy you are de-industrialising our country. The glaring example has been cited. I have got other examples, but I will not cite them now. What will happen to BHEL? The BHEL will become sick. With the sickness of BHEL, many other public sector industries will become sick and sickness of the public sector leads to de-industrialisation of the country.

What are we going in for? to which direction, are you taking the country? You are taking the country in The question of Centre-State has also been raised. How can you impose certain decisions of the State Governments even without consulting them? I do not know whether there was a specific consultation of these very steps with the State Chief Ministers, States' Power Ministers or State Governments. the direction which leads ultimately to the de-industrialisation of the country and de-industrialisation of the country means perpetuation of poverty and perpetuation of poverty means I do not know what will happen to existence of the nation like India.

Therefore, Sir, on principle, this is a measure which the Parliament cannot ac-

cept. While taking this opportunity, I want to know the Government's decision on two points viz. there is a dire necessity of investment in our power sector. You have decided to allow the private sector to invest in this sector. You have also decided to allow the foreign capital to enter into this vital sector of our country. Would the Government announce or explain as to what are the conditions? Would they be allowed only to generate or would they also be allowed to distribute? Would they be allowed to fix the price? Would they be allowed to determine price policy in our country? Therefore, I think that needs to be clarified.

There are many State Governments which are in dire need of funds for investment in the power sector. There are many projects still pending for the clearance? Take the examples of West Bengal and other States. I think, they should expedite the clearance of those power projects.

Lastly, I will draw the attention of the Government to Tripura. In Tripura, gas has been found in abundance and ONGC have so far decided to limit the production of gas because gas is not being consumed. There may be gas-based power also. Would the Government think in terms of taking steps to see that in Tripura, power is generated based on this gas.

[Translation]

PROF. PREMDHUMAL (HAMIRPUR):
Mr. Deputy Speaker, Sir, I rise to support the motion brought forward by Shri Nitish Kumar regarding disapproval of Ordinance promulgated by the President and oppose the Bill presented by the Government. Those who spoke before me have explained in details the forces which are working behind the presentation of the Bill and the helplessness of the Government. The Minister who is piloting the Bill has killed his conscience and is emphasising to pass the Bill. All these things have been dealt in detail.

It has been appeared in the Financial Express dated 6th December that

[Prof. Prem Dimal]

[English]

"The World Bank has forced the Government, the NHPC, the NPTC and NEEPC".

[Translation]

to constitute a Power Grid Corporation. That is why only these three Corporations were selected leaving aside the Damodar Valley Corporation, Nathpa-Jhakari Project and similar other Corporations. The Government has not taken decision to set up the Power Grid Corporation keeping in view the interest of the country or the requirements of the country. On the contrary the Government has brought forward this Bill at the instance of the World Bank.

Whenever any question was raised about the Electricity Board of a State, the Minister of Energy used to blame the State Governments in general particularly, Bihar tauntingly. He expressed his anguish saying that the State Governments have not done anything. When the World Bank pressurised the Government, the Centre forced the State Governments to impose minimum charges per unit from ordinary consumers. Now the World Bank directs the Centre that a particular Electricity Board at such and such place is not functioning properly and it should be brought in order. The World Bank criticises their shortcomings also. I do not say that criticism should not be allowed in case of failure or lapses by any Electricity Board. But if it is criticised by an outsider and the Minister is pressurised to bring a Bill before the Lok Sabha to set things right then it is objectionable. The Government which has been advocating the cause of 'Swedish' and self-reliance has made in compromise today. I recall an Urdu couplet and I hope the Minister of Agriculture would pay special attention.

'Mitti Jab Tak Apna Haq Ada Na Kare,

Hawaon Ki Sipharishon Se Gulab Khilate
Nahi.

There are many problems facing the country. Electricity Boards have their own problems. The people of the country will have to find out solution of these problems. But in India, the World Bank sends its report and your officials write letters in response to it. I do not want to quote from those letters. Shri George Fernandes has dwelt on them in detail. In a letter it is written that 'I am an incorrigible optimist and I still hope that you would reconsider the rejected application.'

I would like to point out one thing about the employees here. It is in the interest of employees. Shri George Saheb has cited statistics and it is very clear from these statistics that the average income or salary of employees of these three corporations would now be lower after these corporations are merged into a Power Grid Corporation. Though the Minister had nodded and assured that he would protect the salary, allowances and service conditions of these employees yet no provision in this regard has been made in this Bill.

The biggest question relates to the transfer of assets. Hon. Minister, when you were the Chairman of Ninth Finance Commission it had given a severe blow to the interest of a small State like Himachal Pradesh.

16.29. hrs.

[SHRI PETER G. MARBANIANG *in the
Chair*]

We remember it even today. Please don't behave in that manner again? Please don't repeat it? When a Government company is set up, the Government can acquire assets worth crores of rupees at cheaper rate as per the Act. Afterwards the assets were transferred to this new Power Grid Corporation through this Ordinance, issued in the month of January. The assets are worth millions of rupees. No stamp duty would be paid. The assets worth crores of rupees would be handed over to Power Grid on the basis of book value under clause 8.

[English]

"Clauses 8 effectively acquires leases of immovable property with effect that no company is paid in accordance with the Land acquisition Act of 1894. Such leases are being handed over free of charge."

[Translation]

This raises some questions. The Government has to reply to these questions. Some people are of the view that this Bill would be passed as you can mobilise the required majority. But after all there are some traditions and conventions which the Government has to follow. You have heard Shri Chitta Basuji and other speakers. You have also heard the speakers of ruling party and the speakers who spoke against the Bill. You might have realised whose arguments and logic carry more weight. The logic and arguments have been impressive.

Our Federal structure is involved in it. I would like to draw your attention to it. The Government of Tamil Nadu has already said that it will keep the State out of this Power Grid. The Government has not taken the other States in confidence. Please reconsider it if it is possible, the disapproval motion should be adopted and referred to the Joint Select Committee. I would be the best course.

SHRI BHOGENDRAJHA (Madhubani):
Mr. Chairman, Sir, at the outset I oppose this ordinance on the ground that it was promulgated on the 8th January. A decision had already been taken by that day budget session of Lok Sabha will commence in February. Heavens would not have fallen if we would have suspended the promulgation till the commencement of the session. Therefore I had also moved this Constitutional resolution seeking disapproval of the bill. The name of our friend Shri Nitish Kumarji was at the top therefore he moved it. I support this resolution. The tendency of promulgating the ordinance just before the session is not good. The tendency of the Government to bring a temporary fact before the House is also not good.

Power has become an integral part of the agriculture, industry and the life of the masses of our country. It has also become vital for our own development.

Yesterday I had asked a question regarding the per capita power consumption in different states upto 28th February, 1993. In its reply the information has been furnished for 1990-91 and the figures of 1991-92 and 1992-93 have not been given. May be the Government is unaware of it. May be it is not possible for the Government to give its reply. It is a wrong practice.

Our hon. Minister, Shri Salveji is present here. I would like that he should reply. There are five regions of power consumption in the country viz Western, Eastern, Southern, Northern and the North Eastern region, which include production and distribution alongwith three other things viz generation, transmission and distribution. Including all these things, in the entire Northern region of our country the power consumption per capital per year upto 1990-91 is 251.45 Kw. in the Western region it is 371.62 Kw. in the Southern region it is 234.42 Kw, in the Eastern region it is 145.53 and in the North Eastern region it is 83.86 Kw. As far as Bihar is concerned, it is 108. If I give the breakup from his previous reply the per capital, per year consumption in Northern Bihar is 24 KW.

Disparity in the distribution of power and its scarcity throughout the country has been creating problem in the production in every field and in the development of the country. In this regard, it is very much necessary to improve the production. The distribution method ought to be streamlined. We must bring an end to the pilferage during the process of transmission. But this Bill, presented before the House and which came through an ordinance does not go to the roots of the problem. The pace of work for setting up of a National Grid, the idea for which was conceived in 1981, is very slow. I was a member of the House at that time also and we expected that with the setting up of a National Grid, steps will be taken for the development of the country. Today the per-

[Sh. Bhogendra Jha]

pose of setting up of power Grid by merging all the three major units, viz. National Thermal Power Corporation, National Hydro Electric Corporation and national Electricity Corporation, has also been solved. But we are keeping only the resources under the power Grid and that too for transmission while other things are being ignored.

I would not like to comment on all the things but I would like to comment on one thing. i.e. only resources.

[English]

"The delay in transfer of the ownership of the assets relating to the said power transmission systems of the aforesaid three companies to the POWER GRID has, however, restricted its resource mobilisation efforts both through internal cash generation as well as by going to the market for commercial borrowings.

[Translation]

The Government might be trying to hand over this work to the private sector on pretext of transmission. That is why we have given an amendment to the effect that by the end of the session, upto the end of May it should be circulated to take the views of the public on this issue.

I understand that on such an issue, there will be a need for bringing an amendment. I think that there is an apprehension that the country is being trapped in the clutches of neo-colonialism. We have doubts on the policy of the Government contained in this Bill, which is converting into belief. In this background the statement of the Government should be conceived in the right perspective. If at all, it is established that the intention of the Government is clear, then the doubts in our minds should not be there and we can pass this bill because the National Grid is essential for the country. Power distribution should be streamlined throughout the country. There should be no wastage during transmission and sometimes at the

time of severe crisis and at the time of strikes we have to supply power to the other areas also. My submission is that the Government should not compel us to oppose the bill. The Government and the hon. Minister should ponder over it and it should be referred to the Joint Select Committee. If you think that we are doing so with a view to defeat the Govt. then steps should be taken by you and a time limit should be fixed for the select committee to give its decision in the matter. Fix minimum time limit as you deem fit. No body would like that power production should not increase in the country. Nobody would like that power distribution system is not streamlined, None would like that the production and development of the country should not increase. So, do not divide the House on the issue on which there is consensus in the House. Do not draw a new dividing line in the country. Therefore, I would like to submit that my suggestion of referring this Bill to the Joint Select Committee should be accepted. I am not saying that this Bill should be withdrawn but my suggestion of referring this Bill to the Joint Select Committee should be accepted. If possible the ruling party should refer this Bill to be Joint Select Committee. It would be better. Ask the committee to consider this Bill within the minimum possible time. You have waited for it since 1981. It could have been brought earlier also but there has been an unnecessary delay. The loss in the field of agriculture or production suffered as a result there of can not more be compensated. We would like that there should be no more delay. Mr. Chairman, Sir, lest a multinational company should not come in competition in the field of agriculture and distribution of power and start exploiting us. I think that the Government should be ready to refer this Bill to the Select Committee to avert this danger so that we may not have to oppose it. After referring it, to the select committee if we want to bring some amendment, we can do so.

I hope that the hon. Minister will not overlook my suggestions. He will consider and accept our suggestion of referring this Bill to the Select Committee. With these words I conclude.

[English]

SHRI SOBHANADREESWARA RAO VADDE (Vijayawada): Mr. Chairman Sir, I would like to thank you for giving me an opportunity to speak a few words on this important Bill.

First of all, I would like to read out a few lines from the Statement of Objects and Reasons. I quote:

“ The unevenly distributed energy sources in the country, the multiplicity of authorities for generating power and planning, construction, operating and maintaining transmission lines ” end so on and so forth..

The Government is bringing this Bill because of multiplicity of organisations. I would like to know from the hon. Minister during his reply, after the discussion, why Nuclear Power Corporation, Nevili Lignite Corporation, and Demoder Valley Corporation (DVC) have been left out from this Bill. The leaving out of those organisations from the purview of this Bill is contrary to the very objective with which this Bill has been brought forward.

Secondly, regarding the transfer of assets, it is stated, that at a very low book value the assets should be transferred to this new Corporation. I do not understand the reason and the logic for this. When the Government is saying that it is moving towards market oriented economy, why should these assets be given at such a throw away prices? In stead why should not the current value minus depreciation be taken into consideration?

Thirdly, I would like to point out that the Government is bringing this Bill as per the dictates of the World Bank because the Government have approached for 1.2 billion loan for power projects. They have put such conditionalities. which the Government wants to abide and the letter Shri R. Vasudevan wrote to Shri Vergin clearly states this fact. I feel that this should not have been the cases. Our interest should be the upper-

most, rather than going by the dictates of the World Bank or some other agencies.

The other point which I would like to make is that several power project are being cleared and we are haply over this because power is a very important input, whether for industry or for agriculture or for any other sector. But I do not understand that without adequate coal linkage, without adequately getting out the natural gas from underneath the earth, how can all these projects come into being. What are the steps that have been taken to improve the coal production? In fact, in Andhra Pradesh, we are not able to have adequate coal linkage. For the gas-based power projects that have been proposed in the coastal Andhra Pradesh - in East Godavari district or West Godavari district or Visakhpathnam district - now the revised estimates say that gas will not be available to the extent of the estimated quantity that had been stated earlier. Because of this, some projects which had to be taken up earlier, will now have to be given a go bye. When such is the situation, the efforts of the Government should be much more, for production of coal and natural gas. As a corollary, of course, the power projects should then be definitely brought into existence. My submission to the Government is to appoint a Joint parliamentary Committee of both the House of parliament, to go in depth into the several aspects of this Bill which have very far reaching consequences over the economy, the employees and various other important spheres. So, I urge upon the Government to agree for the appointment of a Joint parliamentary Committee.

Lastly, I appeal to the Government that kindly do not insist increase of the agricultural power tariff to fifty paise, which will ruin the agricultural economy of this country. It may be a fact that present the tariff, both for industrial and agricultural sector, may be less compared to other developed countries, but the average per capita income level of the farmers of this country, the average per capital income of the average people of this country should also be taken into consideration, compared to the average in-

[Sh. Sobhanadreesware Rao]

come of the poor people in other countries. Just going by the dictates of the IMF or the World Bank, you will be taking this country to the brink of disaster.

So, I appeal to the Government to reduce the transmission losses and thereby save the money and help the farmers and the ordinary people of this country.

Thank you very much for giving me the opportunity.

THE MINISTER OF POWER (SHRI N.K.P. SALVA) : Sir, the whole debate has gone far beyond the scope of the Bill itself but I assure you that I will try to be as brief as I can.

I am extremely grateful to the Members who have participated in this Debate. Money of them have made very valuable contribution. Equally I am impressed by the produced knowledge of the subject of the power sector, which is so evident in this debate on the part of several hon. Members.

So far as I and my hon. colleague are concerned, we are new to the power sector. But detriminately and studiously, we are pursuing our subject and very shortly we will be catching up with it, when perhaps we will be more authoritative .. (Interruptions)

AN. HON. MEMBER: By that time you will be out of power.

SHRI N.K.P. SALVA: I thought we were taking the debate seriously.

Sir, with conviction I can say one thing that after I have given my reply and clarified many of the points raised, many of the criticisms leveled would be found to be ill-founded, after my part of the sequence is heard, and I only request the hon. Members to keep their open and bear with me with a little patience.

Sir, to me with conviction I want to submit, all these legalities apart that the

heart of the matter, with which Nitish ji will agree, is creation of a national transmission system run by nodal functional expert corporation to wheel the power throughout the length and breadth of the country with reliability, security and economy and thereby optimise the profitability, maximise the production of the power sector. What we have done, I submit with all humility to the Members concerned, is the first step towards it.

Various points were raised why have you taken only three? I am going to inform that we have not rest content by taking only three. We have proceeded further, We have taken the transmission of other companies also. That meets one of the very important points raised by Shri Nitish Kumar. He said he was not against national transmission system or national power grid. He said why are we taking only three companies. That was his criticism. I will show you we have also taken transmission of some other companies.

To be brief, I think the best course will be that I deal point by point. The first point was raised by hon. Shri George Fernandes on a matter of constitutional law though he was ruled out in the beginning. He said, and I quote:

"Parliament is not competent to legislate against the sovereignty of the nation".

His argument in the point raised by him was that in enacting this Bill we are legislating against the sovereignty of the nation itself. It was a very strong point. He argued that point vehemently. He also said:

"It is the country's sovereignty which is being taken for granted."

He requested the Chair;

"You hold this Bill as totally beyond the legislative competence of the House because the House cannot write off its sovereignty."

I am surprised I have known Shri Fernandes for several years. He and I, we

both, came together in the House the very same year. I was, of course, elder to him then and I am elder to him today. I have known him as a great fighter. More than this I have respected him as a person who is very studious in these matters.

It surprised me to hear this kind of a contention from him that a legislative measure which is brought in terms of Entry 38 of the Concurrent List and in accordance with Article 246, this measure which has nothing to do in the constitutional power or the law-making power of this legislature. He says, if you enact this you enact are subverting the sovereignty. I am afraid in one word. I want to bring home what is the concept of sovereignty. I am referring to an American political view of Mr. C.F. Snow in this regard.,

He says, dealing with sovereignty in the chapter of the meaning amendment of political constitution:

"The sovereignty we have said that the people attributes to the State as contrasted with all other units of association is the power to make laws and enforce them by all means of coercion which creates to employ. This power is called sovereignty" (*Interruptions*)

I said you will have to bear with me a little and then I will clarify in the end.

SHRI NIRMAL KANTI CHATTERJEE: We have to , even if it is very difficult. (*Interruptions*)

SHRI N.K.P. SALVE: The supreme power of this House to make law is sovereignty. We are not surrendering this power. I will come to that point separately. it might be impropriety. (*Interruptions*) I can understand the argument of Nitishji that in doing so you have acted in a manner which will not benefit the 850 million people, whose sense of self-respect has been affected and bartered away. But the argument that is utterly untenable and to a point I would say preposterous is to say that in bringing this measure we have surrendered the majesty and sovereignty of this House. What is this argu-

ment? I am not subverting the sovereignty. (*Interruptions*)

[*Translation*]

PROF. RASA SINGH RAWAT(Ajmer): What has been written to the World Bank by Vasudev in this letter..

SHRI N.K.P. SALVE: I will cover that point also. I am not yielding. It will be good if you understand. You say that due to this correspondence the prestige of the country has been out at stake. It is a bad thing. I will deal with it separately. But George Sahib if a person like you who is very much studious say that we have subverted the severity of the country then it does not sound good, I would not mind if any other person says these words. There is one more big American authority on Constitution Law.

[*English*]

I am referring to will ong by's The constitution of United states in which the said.

" In another work the author has discussed the concept of sovereignty in its jurisdictional connotations and applied the conclusions reached to federally organised States in general and to the United States in particular. It is there shown that sovereignty as the term is employed in constitutional law implies supreme law-making power."

If sovereignty is ' supreme law-making power' and I am bringing this law here before the Parliament, am I surrendering to the sovereignty of the Parliament or am I subverting the same?

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): Not in law, but in spirit also. You must distinguish between the two positions. (*Interruptions*)

SHRI N.K.P. SALVE: About the Indian authority, I read Seervai extensively. At places he has dealt with sovereignty, but this in clearly defined as to what is sover-

[Sh. N.K.P. Salve]

eighty supreme law-making power. Hon. Member, Mr. George Fernandes, is nodding his head, which is the greatest tribute to all my work.

SHRI NIRMAL KANTI CHATTERJEE: 'Really and not formally' you can add that.

SHRI N.K.P. SALVE: Now I will take point by point.

Sir, I personally thought when I introduced the Bill that the most legislative measure contemplated in this Bill is perhaps the most innocuous. What are we doing we seek to effect a *de jure* transfer *inter alia* the power transmission system from three Companies - MTPC, NGPC and NEEPC to the National Power Grid. The *de facto* transfer as you very rightly pointed out had already been effected some time in August and November 1991. Therefore, what I thought is, the ownership of these transferes or the transferee public sector companies, the entire shares are held by the President of India. The transferere Company, the Power Grid Corporation, is a public sector undertaking in the Central sector, the entirety of the shares are held by the President of India. Therefore the right hand transfers something to the left hand or the left hand transfers something to the left hand or the left hand transfers something to the right hand perhaps..

SHRI SOMNATH CHATTERJEE (Bolpur): Now, disinvestment will start.

SHRI N.K.P. SALVE: I can assure you, Somnathji, take it from me that so long as I am there in this Ministry. (*Interruptions*)

SHRI ANIL BASU (Arambah): Why not on market value? (*Interruptions*)

SHRI N.K.P. SALVE: I will come to those points also. But let me reply, thereby I will be replying at this stage itself the question raised by hon. Member Shri George Fernandes. He said, 'Are you going to privatise? Are you going to sell these shares

to the public or are you going to give them to the multinationals? Please take it from me that we do not want - I repeat *not* either to privatise any of the public sector undertakings including the National Power Grid or NTPC or the three undertakings which are working so well. We are proud of them.

SHRI SOMNATH CHATTERJEE: Speaking for yourself?

SHRI N.K.P. SALVE: I am not speaking for myself, I am speaking for the Government.

SHRI SOMNATH CHATTERJEE: Are you very sure what will happen to your AICC? Nobody knows (*Interruptions*)

SHRI N.K.P. SALVE: Hon. Member Mr. Somnathji will know that I am replying to this Bill as a Minister, not in my capacity as N.K.P. Salve, and if I had not this conviction.

SHRI SOMNATH CHATTERJEE: I respect Mr. Salve not as a Power Minister of the Government.

SHRI GEORGE FERNANDES (Muzaffarpur): May I, Sir, remind the Minister? He has been as studious as any one else about the Industrial Policy resolution of this country. In 1956 this House adopted a Resolution and without touching that Resolution, leaving that Resolution where it is or perhaps consigning it to the waste paper basket now, you have brought about a right turn in the entire Industrial Policy and Economic Policy of the country and so, how do we take your word for it now? If a Resolution of the Parliament could be brushed aside by you, how do I take it with all your good intentions, with all your commitments, but who bothers about your good intentions and commitments when the World Bank and the IMF are dictating and you are accepting?

SHRI N.K.P. SALVE: May I say that the question has a little limitation.. (*Interruptions*)

MR. CHARIMAN: Hon. Minister, please

address the Chair, don't address anybody else.

SHRI SOMNATH CHATTERJEE: What are we here for? We will address us through you.

SHRI N.K.P. SALVE: Sir, I am attempting to address them through you only, they should be a little patient, Sir. Perhaps I will put an end to the agony of the House. We have been debating this subject for so long.

Sir, the hon. Member Shri George Fernandes has slightly enlarged the subject. My answer was categorical to hon. Member Shri Somnath Chatterjee that there is no intention whatsoever—please don't read anything sinister in this.

17.00 hrs

To me a public sector undertaking is a matter of as much or as great respect as any other private sector undertaking which is catering to the national interest. Both to me are national sector. But the public sector undertaking which is doing well, running well serves the national interest much better than any private sector. That is the view of my Government. I am mentioning it here and make no mistake about it. We are not discriminately out to privatise anything.

So far as the Industrial Policy Resolution of 1956 is concerned that has its own importance and we abide by that policy. The heart of the matter in that was, we want social justice with growth. Have we really been able to achieve that kind of social justice Mr. George Fernandes? Yesterday, you made a very eloquent speech about the causes that brought about this kind of situation in Bombay. Are you satisfied with the social justice we have achieved all these years, with a very high controlled economy that we had carried out? What about small nations in Southeast Asia and Far East? All of them have opened their economy. I am not talking of China. Leave China alone. Each year they have eight per cent to nine per cent growth in real terms per capita income. In 10 years' time they have doubled

the income. In 40 years' time we have barely been able to double our income. Is it a happy state of affairs? Do we not need to accelerate the economy for the purpose of achieving that social justice or for the purpose of achieving egalitarian society? Unless there is accelerated growth, there is nothing that we can achieve. This is slightly outside the scope of the Bill. I will come immediately to the various points.

First thing I want to refer to is the issue raised connect with constitutionality and the question of interest of the employees. I am a person who is extremely human. A job of a person in any of the Corporation under my Ministry is a job, he must not be divested of. Long before I took the Ministry, when the scheme was formulated, the employees went to the Delhi High Court and challenged the Scheme and they said, it was detrimental to their interests. The matter was extensively examined by the High Court. This is in the case of Executive of the Power Corporation and the Union of India. I am reading from page 103 of the judgment. Talking with reference to the Transmission Corporation, Power Grid Corporation, they have said:

"The Government policy is valid. NPTC has been properly constituted. Proposed transfer of assets from NTPC power grid to NPTC will be as per law. The petitioners have not been discriminated against either internally or externally.

This is authoritative adjudication so far as the employees are concerned. Hon. Member from BJP has also raised the same issue. They have not been discriminated against either internally or externally.

"Plea of promissory estoppel is not available to the petitioners. The petitioners are at no disadvantage, both NTPC and NPTC being Central Government undertakings and conditions of service being the same."

That meets your point. This is the situation so far as the employees are concerned. I want to dispose of this point straight

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away at this juncture along with the question of constitutionally.

SHRI GEORGE FERNANDES: Can you explain why this very large disparity in the wages of employees of the NTPC and of this particular Corporation, Your national average is Res. 4700 per month, in the public sector. This is last year's average, straight from your annual report. There are 21.84 lakh employees. Annual average wage is Rs. 56,522 which is Rs. 4,700 per month. The monthly average wage in the Power Grid Corporation is Rs. 2,299. There has to be some explanation.

SHRI N.K.P. SALVE: That is a very valid point raised by the hon. Member. Unfortunately, I did not have the benefit of those figures the other day. I have them today and I will get them examined. Because that there is no discrimination against the employees, I went by the Judgement of the Supreme Court.

I would like to take next the question of policy dictated by the World Bank, IMF. That was one of the very serious allegations from all sides. An impression is sought to be created that we are going on our knees, we are crawling on our bellies and we are asking for alms, and we are asking for succour and charity. We shall not, repeat not. No. This is a loan which we are taking and it is a commercial loan.

SHRI ANIL BASU: This is the Power Ministry.

SHRI N.K.P. SALVE: Mr. Anil Basu, I am very sorry. He is attacking our patriotism in doing this kind of thing. Please go and ask Shri Jyoti Babu whether or not he is ringing me continuously to arrange for these loans with conditionalities because of the developments.

SHRI SOMNATH CHATTERJEE: That is precisely our demand, that you have to stop every State Government doing that. Every State Government is doing that. This

is India. What is the use of mentioning Shri Jyoti Basu alone?

SHRI N.K.P. SALVE: I want to assure the Member that I will never do that. But I am on a different point at the moment. This is the loan we borrowed for the development of the country. Please bear with me. Loans taken for the development of West Bengal with conditionally are something acceptable to them. But I loans which we are taking for the development of the country as a whole, we are bartering away. (*Interruptions*) This is very unfair. This is not done. I do not accept it.

SHRI BASUDEB ACHARIA (Bankura): Do not compare loans taken by India with state Government. How can you compare this?

SHRI N.K.P. SALVE: You do not know what I am taking. Please ask him.

SHRI BASUDEB ACHARIA: He has accepted. He has succumbed to it.

SHRI N.K.P. SALVE: All that I want to submit is so far as the loan taken for the Power Grid Corporation is concerned, it is particularly for the small economy. For the benefit of Shri Nitish Kumar and Shri George Fernandes, I want to submit "Look at the history of the whole matter and you will find that we have not done it at the behest of the World Bank but to be able to implement a national project, a national plant, for the benefit of the whole nation. We need that assistance. We discussed matters with them. Conditions come about in such a way that such discussions are absolutely unavoidable. Whenever you go to a bank, whether it is an Indian Bank or a foreign bank or World Bank, are they putting up assets anywhere else other than India? Transmission of power. What is it?

SHRI BASUDEB ACHARIA: You do not succumb to it.

SHRI N.K.P. SALVE: I assure him through you that I am equally sensitive and allergic to anything being said and done

where the respect of India is involved. I have been dealing with bilateral resources and pressures have come on me and I shall not yield an inch.

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum): We know that was your position when you were not in the Government. We respect it. You are not chary after you have joined it.

SHRI N.K. P. SALVE: Unlike him, I do not change my colours. I am the same now as I was earlier and I would not yield to any condition or conditionalities being imposed by anybody, let it be World Bank or anyone else which, according to my understanding, is to the detriment of our interests and where it affects us.

SHRI SOMNATH CHATTERJEE: Shri Manmohan Singh should be sitting here. I do not know whether he agrees with it or not. We will have to see.

SHRI N.K.P. SALVE: Shri Manmohan Singh will take care of himself. I am talking about myself?

SHRI SOMNATH CHATTERJEE: Ask those people. they are sitting there. What they say in private?

SHRI N.K.P. SALVE: I want to submit to you, very respectfully, that I am speaking for the Government. Instead of bartering away the self-respect of our country, we would prefer to starve and die and never barter our respect. It is our approach. (Interruptions)*

MR. CHAIRMAN: Do not record anything.

SHRI N.K.P. SALVE: I want transparency in the working of my Ministry. I have no objection to quoting the letter or something. But I myself want transparency. I have nothing to be ashamed of. Everything is *bona fide* and you can come in and examine whenever you want. If you ever find any conditionality accepted by us which is to our

detriment, you can come and tell me. We may have different perceptions. But we will not accept- we have got our rational faculties ever any conditionally which is to our detriment. So far as our self-respect is concerned a million times we will starve. We known in this country how to starve and starve for generations and for centuries. But we have not sacrificed our self-respect. We will not do it. Why are you thinking so? They are thinking that patriotism is their prerogative. Why are you thinking that it is your exclusive prerogative to protect the interest of the nation? We are equally worried about it.

Now, look at the background in which we have brought about this legislation (Interruptions)

MR. CHAIRMAN: Please do not record anything.

(Interruptions)*

SHRI N.K.P. SALVE: Please look at the background. Please look at the history in the context of which we have brought about this legislation, in the context of which we have brought about this transfer of the assets. It is not that they have asked us to do it and we have done it. We have been working on it. We have been working on a National Power Transmission System, a National Power Grid for Quite some time.

You are right when you have said it that it started in 1981 and why did it not come about. It is a relevant question. It would not come about because of the constraints of resources. We needed money to expand. We really wanted to expand the flow of transfer. Without a programme of expansion, it is hardly of any use. Please bear with me and understand a few facts.

Energy resources in India are evenly distributed. With a view to ensuring optimal utilisation of these resources and supply of power to all parts of the country, a policy decision was taken in 1961 to carry out

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power system planning and operation on regional basis. It goes back to 1961. Shri Nitish Kumar would know of it. I never knew that he was an Electrical Engineer. He would know about it more than what I would know. As I said earlier, it goes back to 1961. For this purpose, the country was demarcated into five regions. In 1981, a decision was taken at the national level with the concurrence of various States to form a National Power Grid. In 1981, this decision was taken. With that end in view, the Power Grid Corporation was formed in 1989. We went to the World Bank much later. The main objective of these three major decisions was to integrate the entire country on the power map of India and facilitate transfer of power all over the country transcending States and Regional boundaries with liability, security and economy. The formation of five Regional Grids and their integrated operation has proved very beneficial. The formation of Power Grid Corporation of India will further help in not only strengthening the regional Power Grids but also accelerate the pace of formation of National Power Grid.

As regards the question raised about the need of formation of the Power Grid Corporation of India allegedly under the pressure of the World Bank, I would like to state that this matter regarding the formation of a Corporation has been under the consideration of the Government of India for quite a long time. It was after considerable discussion, we worked with them. We arranged for a loan with them and now we have come up. We are not stopping here. We are proceeding further. I am replying to Shri Nitish Kumar. He raised a point saying that if you really want a national transmission system, why are you resting content with the three. We are not resting content with the three.

The transmission system assets of Neyveli Lignite Corporation have since been transferred to Powergrid with effect from December 1992. Does it satisfy you? Further, action is already in hand for completing various formalities associated with the de

jure transfer of these assets of NLK to Powergrid.

As regards transfer of transmission system assets of NJPC, a Joint company of Central Government and Himachal Pradesh, the work relating to their transmission system was being handled by NHPC which has since got transferred along with the transmission system assets of NHPC.

Now, I come to the transmission system of Nuclear Power Corporation. An hon. Member has raised the question of Nuclear Power transmission. The transmission systems of Nuclear Power Corporation were being constructed by the State Electricity Boards. NPC did not own any transmission system asset as such. However, work relating to transmission system associated with Nuclear Power Station for future expansions has since been transferred to Powergrid.

As regard transfer of transmission system associated with the Tehri Hydro Development project, consent of the U.P. Government which is a partner of the Central Government in the Tehri Hydro Electric Corporation has since been obtained. We are going ahead with it. Therefore, in the process of establishing a National Transmission System with the help of the Powergrid entrusted to a nodal functional expert corporation, we have not stopped at there. We have proceeded and we are proceeding further. We seek your cooperation; we seek your guidance and we seek your help in the whole proceedings. But do not look at it from the coloured glasses. If you look at it from the coloured glasses, we will not be able to achieve a very important national objective with the cooperation of everyone, which we want. I have no doubt so far as our intents are concerned. (Interruptions)

SHRI NIRMAL KANTI CHATTERJEE (Dum Dum) : Our coloured glasses have ultra-violet rays. (Interruptions)

SHRI ANIL BASU : Mr. Salve should explain everything to the House. (Interruptions)

MR. CHAIRMAN : Please allow the Minister to explain. Do not interrupt please.

(Interruptions)

SHRI ANIL BASU : He is concealing more . (Interruptions)

SHRI N.K.P. Salve : If they feel offended in my appealing to them for a national cause, I will not do that. Please do not have such coloured glasses. I want to submit to them. I want to appeal to them I am no greater a nationalist or a patriot than what they are. (Interruptions)

SHRI SOMNATH CHATTERJEE (Bolpur) : We have certain doubts and certain worries in this matter. We would like you to clarify those.

SHRI N.K.P. SALVE : Most certainly. Not once but hundred times. I am not upset. You know, I know a considerable amount of forensic language. Even if I appear to be upset. It is just you know, why. Those who have forensic background they will be having such they of pretensions.

Now I must come to the question of letters referred to. I will come to a little latter as to what I objected to about the observations of the officer. I do not mind it. I am answering to Mr. Basu that if there are certain charges of corruption on some officer, something prima facie is there, certainly this House is there to look into it. haul up the officer and then the Minister. But it was with reference to a letter about which Shri George Fernandes made some observations which are most unfortunate. There are officers and officers of all the type. There are large number of negative officers, there are positive officers who go out of their way to implement our policies. If we are going to cast aspersion on their character and integrity in this House, the work will suffer. The nation will suffer, the people of this country will suffer. This is not done. I do not think he wanted to do it. It is with reference to that. I want to point out those observations. I will come after this. he referred to the letters of Shri Vasudevan of

7.10.92 and the fax messages of 8.12.92 and 14.1.93 from the World Bank. The hon. Member found it particularly objectionable that a small functionary of the World Bank writes to a senior Secretary of the Government of India and marks a copy to the small functionary like a Joint Secretary in the Department of Economic Affairs. In this regard, it is specifically stated that Mr, Vergin is the senior most functionary in the Word Bank in so far as power sector is concerned. Mr. Vergin writes to the Secretary (Power) and endorses a copy to the nodal Joint Secretary, Department of Economic Affairs. This is a mundane practice in day-to-day office working and nothing wrong should be seen into this practice. If you see that letter at the bottom you will find that the Secretary himself has marked the copy of that letter. What is there so objectionable about it? Are we standing by formalities unknown to the commercial world or are we just trying to find fault with the people because we are dealing with the Wrold Bank? If we do not deal with the Wrold Bank, we are not going to get money, and we are never going to improve OUR power situation. As it is projects are there. As soon as I took over the charge of the Ministry I tried to find out what the situation is going to be after the Eight Plan. Today the situation is fairly grim. There is considerable shortage. I find, to be able to maintain the existing shortage, we will have to augment Our capacity by 35,535 megawatt. It would require a lakh crores of rupees. Where do we give the money from? If I did not borrow, if I did not bring the private sector, where do I get the money from? Is it that I leave the country to darkness? It is, therefore, when I go to a bank, I must abide by certain norms. Certainly, if I do something wrong in the process, if I have taken the Loans and squandered it away, you are there to watch; if I have taken the loans spent it in a manner which it did not have to be, you are there to watch. But I believe, the loan must be taken. For a developing country, its resources are important. If it is inadequate, it must take the loans. What is needed is we should generate enough income out of it, repay the principals and repay the interest and be on Our own. That is my stated and that is what

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we want to do.

Now a word about the contents. It may clearly be stated that there is no matter which needs to be kept away from the House. As I said, I do not object to those letters because I want transparency myself. The economic papers in the country, almost daily, bring out the efforts being made by the Minister of Power and the PSUs in raising funds from international financial agencies. Most of the economic papers carry the heart-breaks and the success stories regarding the power sector's effort to raise the finances from financial institutions within and outside the country. And here again, through you, I would like to appeal to each one of them to help us raise finances in a honorable manner which will cater to the interest of the nation. That is only the criteria, something which is going to help develop the country, something which is going to help us optimise productivity of the entire power sector and eximize its production.

SHRI ANIL BASU : Would you please enlighten us as to which area of the power sector is most neglected?

SHRI N.K.P. SALVE : I am also replying to some of the questions which you have raised. As I said earlier, already the scope of the debate is for beyond the scope of the Bill itself. And that is why, I have taken so much time. I want to finish as quickly as I can.

Now I want to point out about the World Bank. World Bank has been a very large participant of the assistance to the power sector. And it is well-known and no a fact to be hidden that the World Bank wishes to associate itself which future power projects and provide substantial finances. NTPC is the largest single beneficiary of the World Bank, anywhere in the world.

Sir, today, NTPC is looked upon as a project, which is a matter of pride, which is

glittering among the public sector undertakings. It is one of the finest public sector undertakings that we have. It could never have been what it is if it was not for these loans and we run down these people of the organization who are helping us. What are we doing? We are borrowing from them, building Our public sector undertakings, we are augmenting Our power, we are rationalizing Our transmission systems.

Sir, I will deal with one or two points more and then I would finish it of. Shri George Fernandes referred to something which to my mind is most unfortunate and very surprising that it comes from a member like him.

SHRI SOMNATH CHATTERJEE : Please give us an opportunity to put some questions.

SHRI N.K.P. SALVE : We would not like to pillory someone without there being a fair opportunity. I know the hon. Member for quite sometime. He said this and it is to this that I take the objection. He said:

[Translation]

At first it is sent to the Secretary and then a copy is endorsed to the Junior Officer. It is all right. At first it is said that I am taking liberty and then relations are developed with the junior officers. What sort of relations are these? We have seen connections of many officers in the scandals. How and where the relations are developed. We have seen very well. Mr. Chairman, Sir, I am very sorry to say that every kind of mischief can be pardoned in Our country.

[English]

Is this the reward we want to give to the officers, who work devotedly, sincerely, honestly and with the highest sense of integrity? Will he not rather have a negative attitude? It is the easiest thing in the Government of India or in any other Government to have a negative attitude, never do any work, come at 10 O'clock and to at 5.30 p.m., and be utterly negative and get

promotion and become Secretary or Cabinet Secretary and then go to World bank or do things like that. But an officer he world and takes positive interest in the matter, wants to help the power sector, he could have been treated more charitably. It is my request, So far as this is concerned, I am sure that Shri George Fernandes could not mean it to be that way. He referred to Mr. Krishnamurthy. I was not dealing with the corruption in bureaucracy in general. I was dealing with what hon. member Mr. George Fernandes said with reference to this letter which is a very normal vourse of correspondence between a banker and us. There is nothing wrong in the content. You may read it a thousand times; but there is noting wrong with it. When I am talking with reference to that, if you run down an officer, I am afraid you are creating a situation which will never helpful to the country, to any Government. Today we are sitting here; who knows who might sit where and when? But no Government can work effectively, efficaciously and efficiently unless it s bureaucracy cooperates with it. When it cooperates, if it is going to be run down, that is the most unfortunate thing that will happen.

I will come to the next point and I am done. Considerable indignation has been shown that we have transferred the assists at the book value. Hon. Member George Fernandes went to the extent of saying that Consolidated Fund of India money has gone as the capital of the transferor company and when the transferor company's money has been employed in certain assets, their market value must have appreciated agreed deal and why have you put the transferor company to a loss. That, I thought, was the thrust of his argument. Why have we done this to a transferor company? There are two answers that I want to give. At whose cost is the transferor company going to benefit when the ownership of the transferring company is also in the hands of the President of India and the transferring company is also in the hands of the President of India and the transferring company is also in the hands of the President? The loss of one is going to be the gain of the

other and the gain of one is going to be the loss of the other. If both are one, where is the question of loss and gain? Can a person make profit out of himself?

SHRI SOMNATH CHATTERJEE: We do not know how Congress Ministers work:

SHRI GEORGE FARNANDES: What about the disinvestment that has been done in the last two years? All that was held by the President of India.

SHRIN.K.P. SALVE: It is in the interest of the transferor company, let me tell you. If you have transferred it at the market value it would only been the book adjustment-debit and credit. The transferring company might have been the debtor and the transferor company might have been the creditor. But listen to me now; apart from the stamp duty, how this is beneficial. have you ever considered the possibility of large colossal capital gains which out of its resources the transferor company would have been required to pay? What happens to that? From where does that money come? Actually it is book transfers and capital gains merged on them large amount of capital gain would have the liability. Kindly look into all these aspects of the matter.

HRI NIRMAL KANTI CHATTERJEE: One again it is one family-the Government and the Government-owned companies. In this case it is a State which is losing. But within the Central Government sector nobody is the loser.

SHRIN.K.P. SALVE: So State is losing because there is no State involved.

SHRI NIRMAL KANTI CHATTERJEE: Stamp duty collection and nothing else.

SHRIN.K.P. SALVE: Intervention with a knowledgeable Member I can understand. But I cannot take the intervention of Mr. Nirmal Chatterjee, because I am confined to my brief. That is what I am saying. All are the same; where is the question of anyone making loss. Mr. Basu was so indignant; he thumped the desk: At one stage I thought

[Sh. N.K.P. Salve]

he was likely to hurt his hand! Why did you transfer it at the book value? What is there if it be to the benefit of the transferor company that we have transferred at the book value apart from the stamp duty consideration? The real benefit is, a large capital gains liability which would have been passed on to the transferor company has been spared.

About the likely increase in tariffs. What we are doing is that we are only transferring the assets relating to transmission systems. So far generation and transmission was being done by the transferor company. Now the work is divided. The transferor company will generate and the transferring company will transmit. The transferring company is going to submit bills to the consumer and collect bills from them. Where is the question of raising it by the factum of transfer? Why is the apprehension? I am unable to understand that as a result of this, the tariff will be raised. If they are to be raised on a future date, it will be for some other consideration; but merely by the factum of transfer, I do not think that there should be any valid justification for an apprehension that the tariffs are going to be raised. In the end, I will come to 'opposition of the States'.

SHRI ANIL BASU : Now, you have two Chairman for the two public sector companies; your overhead cost has gone up.

SHRI N.K.P. SALVE : Tariffs are not being raised by the factum of the transfer. All that I want to submit is about the States. I have instructions on that, I have taken instructions. The allegation is that the Tamilnadu Electricity Board has opposed the Power Grid. It is to that, that, I want to reply. I am submitting it to the house entirely on the instructions from my Ministry, because I do not have any personal knowledge on this.

Some hon. members stated that Tamilnadu has expressed opposition against the formation of the National Power Grid. In

this connection, I would like to state that no State, including Tamilnadu has opposed the formation of the National Power Grid. As a matter of fact, the policy decision taken at the national level in 1981 for the formation of the National Power Grid was a unanimous decision. It appears that hon. Members are perhaps referring to some comments of Tamilnadu State Electricity Board in the context of recent disturbance in Sotham Regional Grid. The resentment expressed by them was primarily related to the discipline indulged in by certain State Electricity Boards in the operation of the Regional Grid and certainly not against the main goal of the formation of the National Power Grid.

State also understand and we are also oriented towards a national cause. There is no objection; we are working upon it. In the end, therefore, all that I want to submit is that there is no warrant to sand..

SHRI ANIL BASU: I raised a point. you reply to that point.

SHRI N.K.P. SALVE: All right. (*Interruptions*) Shri Basu raised appoint and again he thumped the table saying that 800 KV Kisanpur-Moga line is something which we are putting up, is a total waste of expenditure and that not even a megawatt of power would be transmitted. 400 KV line, according to you, was enough. It is for that purpose., a team of officers went from here; each one of them may be getting 250 dollars, roughly, I do not know. I do not know how much they are getting. They have got this loan. They say, as though this loan has been pressurised on us for this 800 KV lines, by World bank. I am afraid, my friends have got this fact completely wrong. The officials went for negotiating a new loan.

So far as the Kishanpur-Moga line is concerned, that matter has already been finalised., your facts are utterly incorrect. Your premise is correct and your contributions are hopelessly wrong. Do you want me to deal with something more? (*Interruptions*) I am making a statement on the Floor of the House. if my facts are wrong and if

your facts are right, then, I will perhaps have to either face a privilege motion or I will have to apologies, which I will do. But, please do not try to rub wrong facts into me ever. (Interruptions) No. (Interruptions) This is very unfair. Sir, firstly he brings in this point. Is it related to the Bill? (Interruptions) Is it related to the Bill? He brings in extraneous considerations, he brings in extraneous facts and that too, entirely on incorrect facts, he wants to thump the desk, as though the lung power is going to make a difference on me. I am talking with a certain degree a conviction there. (Interruptions)

SHRI ANIL BASU : You say that there is a need for 800 KV line and you justify it. Is there any need for 800 KV line? You are slipping the points. (Interruptions)

SHRI N K P SALVE : You want me to reply to that too? (Interruptions) It is, undoubtedly, a 800 KV Line. (Interruptions) I am tailing you, take it. (Interruptions) It is completely outside the scope of the Bill. I am taking more time of the House and tiring the House. This Kishanpur-Moga 800 KV line is charged at 400 KV at this stage and the flow raised to 800 KV when the power polled at Kishanpur increases later on. The cost is not very much more. For transmission system, redundancy needs to be built and planning has to be long-term. There is also the problem of corridor.

SHRI ANIL BASU : Now he is caught. he is saying that 400 KV would be charged in a 800 KV line. If you require more transmission, then you can put up another 400 KV line. What is the need for putting up 800 KV line right now?

SHRI N.K.P. SALVE: Is there something on this earth with which I can respectfully disagree so far as Mr. Basu is concerned? I in humility and respect completely agree to disagree with what you have to say. That is completely. Some other time, some other forum, we will discuss this matter with our technicians. All that I want to submit is this. (Interruptions)

SHRI ANIL BASU: You are a new-

comer in the area. What to do? (Interruptions)

SHRI SOMNATH CHATTERJEE: There are two things. I shall not thump the desk. You seem to be very cut up. For that, I am sorry if any of my Members has done it.

We want to know two things. By this Corporation and the policy that you have now adopted, what will be the role of the different State Electricity Boards in the matter of transmission? Will all the powers of the State Electricity Boards, so far as transmission is concerned, be taken over by this Corporation?

Secondly, the different State Electricity boards are required to pay for the introduction of high voltage direct current system by you. That is being introduced for which machines are being imported. you are insisting on a system for the purpose of this transmission. You are SEBs to pay a huge amount for that. What are you doing it? *

If it is your job, you are taking over that job. Why are you making the SEBs to pay for it?

Allied to that, I have been told by a very authoritative source that these machines are available in India. These are manufactured by Indian engineers and Indian companies. Why are you importing these machines? Kindly clarify these things.

SHRI N.K.P. SALVE: So far as the Electricity Boards are concerned, there is no proposal before us for taking over the transmission by Electricity Boards. This Bill does not affect them in any manner whatsoever.

As to the conversion, this 800 KV megawatt HVDC -High Voltage Direct Current, I have learnt that much do you want me to take up this question seriously? (Interruptions)

SHRI SOMNATH CHATTERJEE: Very seriously. (Interruptions)

MR. CHAIRMAN : The time is running out. (*Interruptions*)

SHRI N.K.P. SALVE: What I am told is that it is a technical question. I will give a reply. (*Interruptions*)

The import of the machinery is a different subject. What I am told is that for effective evacuation of power, inter-regional linkages are required to be constructed for formation of national power grid due to varying degrees of power shortages in different States, regional and operation of various regions.

AN HON. MEMBER: It is for national grid.

SHRI N.K.P. SALVE: It is connected with that. Now it is to link the different grids and to transmit power from one to another in a manner so that we do not do one at the cost of another.

It is for that purpose that this is being done and if you want a more technical answer, I will write to you and let you know.

SHRI SOMNATH CHATTERJEE: I am not trying to make it controversial. I am trying to find out as to why SEBs which are financially in a much vulnerable position then the Central Government are forced to pay this huge amount running into crores of rupees.

SHRI N.K.P. SALVE: I concede that it is a valid question. I assure the hon. Member that this is completely outside the scope of the Bill. So, I was not prepared and I was not expecting this kind of a question. I will certainly look into as to why this is so. But I rest assure one thing. We will not fasten any liability on the State Electricity Boards as they are already not a very good state and it will be onerous and member some if we do so. All this is not being done unilaterally. I can assure that also. But if you want more authentic and technical answer, I will write to you. Import of machines is the last point that I was making.

SHRI NIRMAL KANT CHATTERJEE : How is it advantageous to other States?

SHRI N.K.P. SALVE: I will write to you also. (*Interruptions*)

About imports, the point was raised by Mr. George Fernandes also that we are liquidating BHEL. A company like BHEL must have orders. unless it has orders for the next five years, I am sure that it will be a very grim situation. I entirely agree to it. I have myself been as a consultant in industrial financing for many years and so, this proposition is absolutely correct but the crucial question to which I am addressing myself is.....

SHRI SOMNATH CHATTERJEE : Don't commit.

SHRI N.K.P. SALVE : No, I am not committing anything. I am only enunciating the policy. The policy is to buy the best equipment at the best possible price. (*Interruptions*)

SHRI ANIL BASU : But the price is very much higher. (*Interruptions*)

SHRI SOBHANADREESWARA RAO VADDE : But they wanted it to be given to M/s ABB. (*Interruptions*)

SHRI N.K.P. SALVE : Mr. Basu, you referred to a certain price packing. GCE Alstom got it in an international bidding. It was a package. It was a turnkey project and for a turnkey project, it was found to be the lowest. What is the use of comparing the turbine cost and the boiler cost?

SHRI ANIL BASU : They will be bidding and should we have to accept that bidding ? (*Interruptions*)

SHRI N.K.P. SALVE : Sir, I do not expect him to agree with me. (*Interruptions*)

MR. CHAIRMAN: Please follow the rule.

SHRI BASUDEB ACHARIA : His pre-

decessor told the House that BHEL will not suffer for orders. Now, What he has said is different from what was told by his predecessor.

SHRI N.K.P. SALVE : Have you finished?

SHRI BASUDEB ACHARIA : Yes. (Interruptions)

SHRI N.K.P. SALVE : I do not expect him to agree with me as much as they should not expect me to agree with them.

SHRI SOMNATH CHATTERJEE : I say to keep your mind looking into the matter.

SHRI N.K.P. SALVE : Why did you and Mr. Fernandes ask me this question? You know my views very well on this matter. You asked the question and then you say not to commit. If you want, I am willing to tell you what the policy is and if you think that it may go against the interest of the BHEL, then I am willing to sit down. I leave it to you. Mr. Fernandes, would you want me to answer to that question?

SHRI GEORGE FENANDES : I raised the question of the order book of the BHEL. For 1995-96, it is nil and for 1994-95 it is anywhere between seven to ten per cent and in some cases, it is nil. For instance, in Hardwar, for 1994-95, it is nil and for 1993-94, it is less than 50 per cent of the capacity of the BHEL. I also used the term that you have pronounced a death sentence on the BHEL and now, from what the hon. Minister has said, it appears to me because he made the point that we need to go for the best indicating thereby that the situation, as we see, of the BHEL on the basis of his document is correct. Now, there is a capacity of Rs. 30,000 crores there at replacement cost. Then, there is the future of one hundred thousand families, in direct employment, in addition to other entire upstream and downstream jobs that are involved. I would, therefore, like the Minister to make a statement on this. It is not a question of his making a commitment this way or that way. I want him to assure the

country and I want him to assure this House that this mighty institution which, at one point of time, was the fifth largest manufacturer of power generation equipment in the world, which participated successfully in international bids and established power stations in countries which could afford the best, for instance, the oil producing countries, which could afford the best in the world, will be protected. I do hope that the hon. Minister with his commitment to the public sector as I know it, will protect this institutions.

[Translation]

SHRI BHOGENDRA JHA (Madhubani) : Mr. Chairman, Sir, I want that the hon. Minister should also include my point for making a reply. Hydro-electricity is the cheapest source of a electricity in the country and several industries are benefited by it. There are several projects like in Barah area and on Karnali and Puncheshwer. The scenario of India will totally change when work on these projects will be completed. I would like to know whether the hon. Minister of Power is sincerely trying to get the work on these project completed at the earliest..(Interruptions)

[English]

MR. CHAIRMAN : Please complete your speech. You are not supposed to answer their interventions. you are a senior Minister.

SHRI N.K.P. SALVE : This is the last point that I would like to respond to. I would like to respond to the query raised with such vehemence by hon. Member George Fernandes. In the light of the position of the order book of the BHEL about which he has mentioned, it is very disconcerting.

SHRI BASUDEB ACHARIA : Why ?

SHRI N.K.P. SALVE : Ask him 'why'. It is very disconcerting and if they do not get orders over years together, it is a grave situation. So far as I am concerned, as I said, I has to provide power to the people

[Sh. N.K.P. Salve]

[Translation]

at the best possible price. I want to optimise my efficiency and I want to augment and maximise my production. Now, how do I do it? In the international bidding, I gave some price preference to the BHEL. Even then, it has not come upto the level....(Interruptions)

SHRI SOBHANDAREESWARA RAO VADDE (Vijayawada) : It has come upto the level. The Railway Convention Committee has proved it. (Interruptions)

SHRI N.K.P. SALVE : With the price preference that is given to the BHEL, if it comes anywhere close to the best company in the international bidding, we will always go in for BHEL. This is my commitment to the House. But otherwise, as a Power Minister, I have to go in for the best at the best possible price and given power to the people at a very competitive price.

SHRI SOMNATH CHATTERJEE : You will force the liquidation of BHEL. Is this the policy of Government of India? You are speaking for Government of India! you want the BHEL to be closed down!

SHRI BASUDEB ACHERIA : This is the most irresponsible statement by the Minister (Interruptions)

MR. CHAIRMAN : Hon. Members must follow the rules and procedures of the House.

SHRI BASUDEB ACHARIA: We are following Sir. (Interruptions)

SHRI N.K.P. SALVE : There is an Half-an-Hour Discussion on this subject tomorrow. Whatever the hon. Members have to say, they can raise it tomorrow. I say this because today I have already taken more than an hour.

MR. CHAIRMAN : Shri Nitish Kumar please.

SHRI NITISH KUMAR (Barh) : Mr. Chairman, Sir, none of my questions has been satisfactorily replied by the hon. Minister and the basis on which I brought about Disapproval Motion against the ordinance approved by the hon. President as also the Statutory Motion moved by me have not been satisfactorily responded to. Nevertheless, I do want to appreciate one thing of the hon. Minister...(Interruptions) You should first try to restore order on the side of the Treasury benches.

[English]

Please restore order on the side of the Treasury Benches. Ministers are becoming more in disciplined now-a-days than the ordinary Members...(Interruptions) They continue to be in disciplined. They are interrupting me...(Interruptions)

[Translation]

Mr. Chairman, Sir, you should name the Minister who does not comply to your order. The House cannot be run like this...(Interruptions)

Mr. Chairman, Sir, the hon. Minister has not satisfactorily replied to any of my questions. I admire him. I respect him, and I do appreciate his deed of placing a bad case in a nice way. It was, however, the business of the done lawyer Shri Somnath Chatterjee but the case has been advocated by the hon. Minister in a very good manner. His language is really extremely well, but I do not know as to how he missed. He said regarding the Electricity Board of Tamil Nadu that he had got an instruction from the Ministry. Being a Minister in the Government, he can get instruction from the Hon. Prime Minister, but I am failed to understand as to what sort of instruction could he get from his Ministry.

SHRI N.K.P. SALVE: Nitish Kumarji, "Instructions" is a technical term. Shri Somnathji would know it that the word "instruction" has correctly been used. When

some of says to you about a particular fact, it is called instruction.

sources including external borrowings."

SHRI NITISH KUMAR : Well, I see it was a court language being used. Now, it is clear that a bad case was being pleaded. I thought that he might have been using the political language, but he is actually using court language, administrative language. Any way, your beautiful speech is totally devoid of facts and nothing has been made clear through it. It is, however, a rhetorical speech. Your language is no doubt well and your initial views were also good but now the problem is that you are a Minister in such a Government that your views have naturally to undergo a change. I understand your problem. While making a reply you said that so long you are Minister of Power you would keep on doing like that. Now what is there in changing the department. When Kalpnathji was the Minister of Power, he used to speak in such a manner by raising his hands that there was never in the past Minister of Power like him, nor could there be like him in future. Now he is powerless being removed from the Minister of Power and is at present looking into the affairs of sugarcane... (*Interruptions*)

SHRI MADAN LAL KHURANA (South Delhi) : He became so powerless after being removed from the Ministry of Power that now he is cursing sugarcane... (*Interruptions*)

SHRI NITISH KUMAR : Mr. Chairman, Sir, he has already done self-confession about some facts. Now nothing is required to be explained about that. While making reply he said that some conditions have got to be followed when money has to be taken from some one. He said it himself, you can refer to the proceedings of yesterday.

Today, I want to reinstate my proposition by referring to what he said. He said-

[*English*]

"With the passage of this Bill the de jure transfer of assets will enable the Corporation to mobilise re-

[*Translation*]

This transfer is being effected with a view of obtaining external borrowing. Now the fact is known to everyone. Everybody knows that the external borrowings are being sought from the World Bank on the behest of the World Bank itself. Rs. 1.6 billion dollar is to be taken from the World Bank on the conditions laid down by the World Bank.

I had said one thing just now. I said at the time of moving the resolution that the Government was covering three companies. But today he said that he was going to cover more companies. Here I would like to say that if the Government had to cover more companies, it should have done that by introducing one Bill at the same time. The present Bill has been introduced in haste. How many times can the Bill be amended? When there is no time for it during the current session, the Government cannot procure assets without affecting amendment. The Bill has been introduced just for the sake of make up the things and to make a show of it. My only point of objection is that no consideration regarding this policy was made within our country, rather this was done under the pressure of the World Bank. The hon. Minister has proved it himself. Now it does not require any proof. Whatever was said by him on that day and today confirms that this Bill has been introduced under the pressure of the World Bank. He did not give clear cut reply. He was caught by his own little or more reply that he tried to give.

We initiated a debate that the stamp duty is collected by the State. Here we are concerned with scandle of stamp duty itself. I do not want to quota the contents of the letter any more since it has already been quoted by Shri George Fernandes and by several other Members. They have clarified each and everything. It has clearly been written by you authorities to the World Bank that the stamp duty will not be levied. It was

Criteria for Exclusion of "Creamy

[Sh. Nitish Kumar]

promised that efforts will be made to avoid the charging of stamp duty while transferring the assets. The hon. Minister could not reply to it. He touched the issue of stamp duty and evaded the rest of the things....(Interruptions)

SHRI PREMDHUMAL : Mr. Chairman, Sir, Shri Sitaram Kasri was to make his speech at 45 minutes past 5 O'clock. Since he is becoming restless to make his speech. So it is better if he is allowed first to make his speech.

[English]

MR. CHAIRMAN :Is the sense of the House to stop this matter first and ask Mr. Sitaram Kesri to make the statement?

[Translation]

SHRI NITISH KUMAR : We know that what statement is to be made by Kesriji. But the point is, I should get an opportunity to make queries about that.

[English]

MR. CHAIRMAN: No, the rules do not allow this.

17.57 hrs.

STATEMENTS BY MINISTERS -
CONTD.**Socio-Economic Criteria for Exclusion
of "Creamy Layer" from 'Other
Backward Classes'**

THE MINISTER OF WELFARE (SHRI SITA RAM KESRI): In the context of the Judgement of the Supreme Court delivered on 16.11.92 in the Indira Sawhney Vs. Union of India (popularly referred to as Mandal case) wherein it was, inter alia, held that the Office Memorandum of 13.8.90 providing

for 27% reservation in civil services and posts under the Government of India in favour of 'Other Backward Classes' would be valid and enforceable subject to the exclusion of the socially advanced persons/sections ('creamy layer') from the notified "Other Backward Classes", the Government had constituted an Expert Committee comprising the following to make recommendations in this regard:-

Ram Nandan Prasad, J. : Chairman
Retd. Judge,
Patna High Court

Shri M.L. Sahare : Member
former Chairman, UPSC

Shri P.S. Krishnan, : Member
former Secretary
Welfare and former
Member National
Commission for SCs/STs

Shri R.J. Majithia : Member-
former Chairman, Secretary
Revenue Board, Rajasthan

The Expert Committee submitted its Report to the Government on 10.3.93, a copy of which is laid on the Table of the House. Government have decided to accept the recommendations contained in this Report.

[Translation]

PROF. PREM DHUMAL (Hamirpur) : Mr. Chairman, Sir, now it is already 6 o'clock. You may please adjourn the House now.

[English]

MR. CHAIRMAN: No, it is up to 7 o'clock.

[Translation]

SHRI GEORGE FERNANDES (Muzaffarpur) No, such decision was taken.