

12.24 hrs.

**KHADI AND OTHER HANDLOOM INDUSTRIES DEVELOPMENT (ADDITIONAL EXCISE DUTY ON CLOTH) AMENDMENT BILL\***

THE DEPUTY MINISTER IN THE MINISTRY OF FOREIGN TRADE (SHRI A. C. GEORGE): On behalf of Shri L. N. Mishra, I beg to move for leave to introduce a Bill further to amend the Khadi and other Handloom Industries Development (Additional Excise duty on Cloth) Act, 1953.

MR. SPEAKER: The question is:

"That leave be granted to introduce Bill further to amend the Khadi and other Handloom Industries Development (Additional Excise duty on Cloth) Act, 1953".

*The motion was adopted.*

SHRI A. C. GEORGE: I introduce † the Bill.

12.25 hrs.

**STATUTORY RESOLUTION RE DISAPPROVAL OF INDIAN IRON AND STEEL COMPANY (TAKING OVER OF MANAGEMENT) ORDINANCE**

and

**INDIAN IRON AND STEEL COMPANY (TAKING OVER OF MANAGEMENT) BILL—Contd.**

MR. SPEAKER: The House will now resume further discussion of the following resolution moved by Dr. L. N. Pandeya on 21st August 1972, namely:

"This House disapprove of the Indian Iron and Steel Company (Taking over of Management) Ordinance, 1972, (Ordinance No. 6 of 1972) promulgated by the President on the 14th July, 1972".

and further consideration of the following motion moved by Shri S. Mohan Kumaramangalam on the 21st August 1972, namely:

"That the Bill to provide for the taking over of the management of the undertaking of the Indian Iron and Steel Company Limited for a limited period in the public in-

terest and in order to secure the proper management of the undertaking, be taken into consideration".

Three hours had been allotted of which 50 minutes have already been taken.

SHRI S. M. BANERJEE (Kanpur): The time should be increased.

MR. SPEAKER: We will try to adjust.

Shri S. S. Sokhi will continue his speech.

श्री स्वर्ण सिंह सोखी (जमशेदपुर): अध्यक्ष महोदय, आज मैं अपनी सीधे फिर शुरू कर रहा हूँ। मिनिस्टर साहब ने कल बतलाया था कि हम स्टील प्लांट को फिल-हाल दो साल के लिये ले रहे हैं। मैं उन से पूछना चाहता हूँ कि आप दो साल के लिये ही क्यों ले रहे हैं। आप उन को सीधे नेशनलाइज क्यों नहीं करते। दो साल तो मिनिस्टर साहब को इस बात को ही डिमांड करने में लग जायेंगे कि मैनेजमेंट को क्या करना है। दो साल तो रिपोअर बर्क, कोक ओवन, नेटरी, मर्बेट गिन, राइ मिल वगैरह के काम में ही लग जायेंगे।

दूसरी बात यह है कि कल मैं अपना अमेन्डमेंट नहीं दे सका। इस बिल के क्लॉज 3(2) में लाइन नम्बर, 22 को आप को करैक्ट करना चाहिये। "whether within or without India" कि जगह "whether within or outside India" होना चाहिये। इस को उन को करैक्ट करना चाहिये। यह उन की भूल है, उन की गलती है।

मैं यह भी कहना चाहता हूँ कि जो हमारे कम्पोडियन हैं वह सिर्फ एक अकाउंटेड हैं, वह इंजीनियर नहीं हैं। मैं तो मिनिस्टर साहब खुद भी बर्कल डै, वह इंजीनियर

\*Published in Gazette of India dated 22-8-1972.

†Introduced with the recommendation of the President.

नहीं हैं। लेकिन जो कम्पोज़िशन, वेअरमेंट जैसे बड़े बड़े आदमी बहाल किये जाते हैं वह भाईबन्दी के लिहाज से नहीं किये जाने चाहिये। जैसे एन० सी० डी० सी० के वेअरमेंट हैं। वह उन के अपने भाई हैं। उन के मिनिस्टर बनने के बाद उन को बहाल किया गया है।

**एक माननीय सदस्य :** क्या उन के अपने भाई हैं ?

**श्री स्वर्ण सिंह सोखी :** वह भी कुमार-मंगलम है। उस तरह में भाईबन्दी की बिना पर कोई आदमी कम्पोज़िशन या वेअरमेंट नहीं बनाया जाना चाहिये।

जो एकापैक्शन या रिपेअर वर्क वगैरह होते हैं वह सारे अपने मेट्रल व्यूरो आफ डिजाइन के द्वारा ही होने चाहिये। बल्कि डिपार्टमेंटल लेबर के साथ। किसी फॉरेन कंस्ट्रक्टर को उन में ठेके नहीं दिये जाने चाहिये। बल्कि कंस्ट्रक्टर की लेबर का कंस्ट्रक्ट वहाँ में बिल्कुल हटा दिया जाना चाहिये।

वहाँ पर जो चेंज करना है मर्चेन्ट मिल, राइ मिल और गस हीटिंग सिस्टम को आयल फायरिंग सिस्टम में वह बहुत महंगा पड़ेगा। उस से फिर लोहे के दाम बड़ जायेंगे। जब कोक ओवन उन के पास है तब उस को ही काम में लाया जाना चाहिये और उस में ही प्रोडक्शन बढ़ाने की कोशिश की जानी चाहिये। जैसा उन्होंने कहा, कोलदार और कोक बल्क दुर्गापुर के बंगाल गवर्नमेंट के प्लान्ट में लायेंगे। जब सब कुछ आप बाहर में ही लायेंगे तब वहाँ पर अपने कोक ओवन के होने का क्या फायदा है? कोक ओवन ब्रेटरी न० 5 और 6 के जो रिपेअर होने वाले हैं उन को डिपार्टमेंटली करना चाहिये। किसी को ठेके पर नहीं दिये जाने चाहिये। इंडियन आयरन ऐंड स्टील कम्पनी को कोई कम्पेन्सेशन नहीं दिया जाना चाहिये। लेबर यूनियन का और लेबर का एक आदमी बोर्ड आफ डायरेक्टर्स पर नामिनेट किया जाना चाहिये।

जो आज प्लान्ट है, मूल को ऐसा लगता है कि वह बहुत पुराना है और उस को फिर से रिनोवेट करना पड़ेगा। हमारे स्टील मिनिस्टर साहब को शायद इन बातों का कोई ज्ञान नहीं है। जैसा उन के अफसर कह देते हैं वही वह समझते हैं। इम के सिलसिले में मुझ को एक बात का खयाल आता है। एक दिन मैंने एक आदमी से कहा कि ऐसा गलत काम नहीं होना चाहिये। तो उन्होंने जवाब दिया कि हम तो मिनिस्टर साहब से साइन करवा लेते हैं, वह जाने। सारी जिम्मेदारी उन की है। अभी उन्होंने कई आश्वासन दिये थे

**SHRI S. M. BANERJEE (Kanpur):** On a point of order, if I heard the hon. member correct, he said that he asked one of the responsible officers of Bokaro steel plant 'Why are you doing this?' and he told him in reply, 'We got something signed by the Minister without knowing what he is signing'. This is a serious allegation. Who is that officer? He may have differences with Shri Kumaramangalam. But we are sure a man of Shri Kumaramangalam's calibre will look into his papers before putting his signature on them.

**MR. SPEAKER:** This is no point of order.

**SHRI S. M. BANERJEE:** Let him mention the name of the officer.

**श्री स्वर्ण सिंह सोखी :** मैंने नाम इम-निए नहीं दिया कि इसकी इजाजत नहीं है। मैं नाम लेने को तैयार हूँ अगर आप हुकम दें।

**एक माननीय सदस्य :** जल्द तैयारी।

**श्री स्वर्ण सिंह सोखी :** स्टील मिनिस्टर साहब ने बल कई प्रॉमिजिज किए। उन्होंने कहा कि इसकी बहुत जल्द हम डीक करेगे। लेकिन बोकारो के बारे में क्या हुआ है? उसके बारे में भी गवर्न प्रॉमिजिज किया गया था पार्लियामेंट के प्लेनर पर। यह कहा गया था कि मार्च में बोकारो के ब्लास्ट फर्नेस का इनआगुरेशन करेगे, फिर कहा कि जून

(श्री स्वर्ण सिंह सोखी)

में करेंगे, फिर कहा कि अगस्त में होगा। अब पता नहीं कब होगा। मैं समझता हूँ कि दिसम्बर से पहले नहीं हो सकता है। इस तरह के गलत स्टेटमेंट यहां देने का क्या लाभ है? इस तरह से गलत इनफॉर्मेशन अगर दी जाएगी तो इससे यहां पर भी इसका बुरा असर पड़ेगा और बाहर भी पड़ेगा।

**श्री एस० एम० बनर्जी :** ग्रांड होटल में रहने से इनफॉर्मेशन नहीं मिलती है।

**अध्यक्ष महोदय :** ऐसा है कि अगर कोई एलीगेशन करना हो तो लिख कर देना चाहिये था।

**श्री स्वर्ण सिंह सोखी :** मैंने लिख कर दिया है, मिनिस्टर को नहीं बल्कि प्राइम मिनिस्टर को लिख कर दिया है। मैंने कहा है कि नुकसान हो रहा है। वह इसके काबिल नहीं है अभी। यह मैंने प्राइम मिनिस्टर को लिख कर दिया है। वह इंजीनियर नहीं है।

**श्री सतपाल कपूर (पटियाला) :** इस किस्म की बात जिसकी मੈम्बर साहब जिम्मेवारी लेने को तैयार नहीं और जिस का उनके पास कोई सबूत न हो यहां करने दी जाएगी क्या उस तरह की गैर जिम्मेवारी की बात हाउस में करने दी जाएगी?

**SHRI S. M. BANERJEE:** Since he has mentioned, I want to ask one question. I hold no brief for Mr. Mohan Kumaramangalam. Let him say. Is it a fact that one of the managing directors of a foreign company has written a nasty letter against Sardar Swaran Singh Sokhi, against what he was doing there?

**अध्यक्ष महोदय :** साफ हा जानी चाहिये बात। सरदार स्वर्ण सिंह मिनिस्टर नहीं है। दूसरे स्वर्ण सिंह है। ऐसी बात कह देना कि बाहर किसी ने, फारेनर ने शिकायत की है, अच्छा नहीं है। बात बलीयर हो जानी चाहिये। अगर कोई बात है तो

साफ कहा जाना चाहिये स्वर्ण सिंह सोखी। सोखी साहब आपके बारे में वह कहते हैं कि आप किसी के खिलाफ शिकायत नहीं कर सकते हैं। मैं हिन्दुस्तानी में बोल रहा हूँ, आपकी समझ में आ जाना चाहिये। जब तक आप पहले से मुझे इनफॉर्म न करें और मैं उसका सबस्टांस न भेज सकूँ तब तक आपको एलीगेशन नहीं लगाने चाहिये। श्री बनर्जी जो कह रहे हैं वह भी गलती कर रहे हैं। जिस गलती में आप फंसे हुए हैं उसी गलती में वह भी फंसे हुए हैं।

**श्री एस० एम० बनर्जी :** मैं आपसे माफी चाहता हूँ। मैं एक परसनल एक्सप्लेनेशन देना चाहता . . . .

**अध्यक्ष महोदय :** जब मैं खड़ा हूँ तो आप नहीं बोल सकते हैं। मैंने कह दिया है कि . . . . अगर ऐसा होगा तो वह रिकार्ड पर नहीं जाएगा।

**श्री एस० एम० बनर्जी :** बैठ कर बात करूँ तो वह बदतमीजी कहलाएगी।

**अध्यक्ष महोदय :** मैं उनके बारे में एतराज कर रहा हूँ जिस के गिफार आप खुद भी हो रहे हैं। वही बात आप खुद भी कर रहे हैं।

**श्री श्यामनन्वन मिश्र (बेगूसराय) :** मैं व्यवस्था का सवाल उठाना चाहता हूँ। आपने फरमाया है कि कोई मੈम्बर अगर किसी तरह की समालोचना करे, नुकताचीनी करे तो पहले आपको बताये। मिनिस्टर का नाम तो हम हर वक्त लेंगे। उन्हीं के नाम के कौर्तेन के लिए तो हम यहां पर हैं। जो भी समालोचना हम करे उसके लिए आपको लिख कर हम भूचना दें यह बिल्कुल मुनासिब नहीं होगा जो समालोचना इन्होंने की है, वह ठीक भी है। वह ऐसी समालोचना नहीं थी जिस के बारे में आपको पूरा सूचना मिलनी चाहिये थी। वह गैर मुनासिब समालोचना नहीं थी।

कोई माननीय सदस्य उठ कर खड़े हो जाएं और ऐसा इलजाम लगाएं एक दूसरे मेंबर के ऊपर तो यह सम्मानप्रद बात नहीं है। यह बहुत गलत बात है . . . . (इंटरपोज़)

**अध्यक्ष महोदय :** मैं रूज अभी पढ़ कर सुना देता हूँ। उनको पढ़ना चाहिये। जब किसी मिनिस्टर के खिलाफ एलीगेशन या किसी मेंबर के खिलाफ एलीगेशन लगाने हों तो लिख कर देना चाहिये।

**श्री श्यामनन्दन मिश्र :** कोई एलीगेशन इन्होंने नहीं लगाए हैं। उन्होंने कहा है कि जिस तरह से हमारे कारखाने चल रहे हैं, वह ठीक नहीं है। उस तरह की बात तो हम बराबर कहते रहे हैं।

**अध्यक्ष महोदय :** इसके बारे में कोई गलतफहमी नहीं होनी चाहिये। उनको मैंने कहा है कि लिख कर एलीगेशन दे दें। यह जरूर कहा है कि अगर किसी का नाम लेगे तो आपको मुझे बताना पड़ेगा। यह रूल है। उन्होंने कहा है कि कोई मिनिस्टर से दस्तखत करवा लेते हैं। इस पर उनको कहा गया है कि उसका नाम बतायें। अब अगर नाम बताना है तो फिर तो मुझे लिख कर देना पड़ेगा। उन्होंने भी जो नाम लिया किसी फारेनर का और एक मेंबर के खिलाफ एलीगेशन लगाए हैं, वह भी गलत है। रूज मेरे बताए हुए नहीं है, आपने बनाए हुए हैं।

**श्री सतपाल कपूर :** श्री मोखी ने एलीगेशन लगाया है कि श्री मोहन कुमारमंगलम ने अपने भाई को रिजेंट किया। सवाल तो इस बान का है।

**श्री एस० एम० बनर्जी :** मैं एक परसनल एक्स्प्लेनर देना चाहता हूँ। मेरा कोई इरादा नहीं है मिनिस्टर का बचाव करने का। दूसरों ने किया होगा मैंने नहीं किया और न ही मैं उनका बचाव करना चाहता हूँ। लेकिन एक चीज जरूर है। माननीय सदस्य

के भाषण में पहले भी सुन चुका हूँ। मैंने देखा है कि बोकारों स्टील प्लांट के पीछे ये पोलिटिकली लगे हुए हैं। मुझे इस से कोई एतराज नहीं है। इनका पालिटिक्स चाहे जो कुछ भी हो लेकिन अगर ये मिनिस्टर के खिलाफ कुर्रप्शन के चार्जिज लगाते हैं तो मेरे पास भी रिपोर्ट है जो कुर्रप्शन के चार्जिज इनके खिलाफ हैं, जो इनके खिलाफ शिकायतें भी और आप कहें तो मैं वह भी पेश कर सकता हूँ।

**SHRI BHAGWAT JHA AZAD (Bhagalpur):** I rise on a point of order. I do not approve of what Mr. Sokhi has said but I certainly do not approve of what Mr. Banerjee said. He says that there is a certain company which has written a nasty letter against the hon. Member. I think it is not fair for one Member to attack another Member in this fashion. Mr. Banerjee will be hauled up, not once but many times in this House in the course of his own speeches when he names officers, when he condemns officers, when he condemns Ministers and others. Shall we be entitled to say that Mr. Banerjee has got certain political motive and that is why he is speaking like that? That is not fair for Mr. Banerjee. We may not agree with each other. I do not support the criticism of this hon. Member here, I do not like a Member of my own party to say like that about the Minister . . . (Interruptions.) I am only rising a point of order. Was it fair for him to say so about a new Member? He is an adept, he is there since 1957. He was dismissed from the Defence Ministry to come to Parliament; we were friends in the Defence employees federation. But now he is harassing a new Member by saying that he must not speak about Bokaro because somebody had written something about him. You must decide whether he is entitled to say that. It is not fair to say so and bamboozle him like that.

**MR. SPEAKER:** I have already said to Mr. Banerjee that it was not fair and it was not good criticism. But my friend here should also speak with restraint.

**श्री स्वर्ण सिंह सोखी :** जितने भी पब्लिक सेक्टर प्लांट्स हैं, उन के जेनेरल-मैनेजर्स और मैनेजिंग डायरेक्टर्स को दृष्टिगार कर देना

(श्री स्वर्ण सिंह सोबी)

चाहिए कि प्राइकशन गिरे न, बल्कि वह बढ़े, मूझे इस बात की ख़ुशी है कि मिनिस्टर साहब ने कहा है कि एक महीना पहले यह जो प्लॉट लिया गया था, उस की प्राइकशन बढ़ गई है। अगर सब प्लॉट्स की तरह इसी तरह ध्यान दिया जाये, तो मैं समझता हूँ कि प्राइकशन पूरी कैपैसिटी तक हो जानी चाहिए। इंडियन आयर्न एंड स्टील कंपनी की प्राइकशन न गिरे, यहाँ उस की जिम्मेदारी है। जितनी सुरती मरगि है, उन सब को बिल्कुल बदलने में पहले, जो रिपेयर के लायक मरगि है, उनको काम में लाना चाहिए।

मैं इस बिल को सपोर्ट करता हूँ।

**SHRI INDRAJIT GUPTA (Alipore):** Mr. Speaker, Sir, this step the Government has taken is, of course, welcome and there has been fairly wide-spread public support for it. The Minister was rather anxious yesterday that the opposition should express its approval to this step. Well, we certainly approve of it, welcome it. But he should not misunderstand the criticism that we make of the delay on the part of the government in taking this step. Of course, it is better late than never; I agree. But it is a very sad commentary that a major concern of this type is allowed by its management to reach the brink of disaster before the government thinks of stepping in. Because, the effect of this now will be that in order to put this plant back on its feet an enormous capital expenditure will be incurred which the tax-payer of this country will have to pay ultimately.

It is not as though this crisis developed overnight. It is not as though the government was taken by surprise suddenly when it found that production had declined to a very alarmingly low level. This was a trend which was going on for a considerably long time and the Government was not unaware of it. As the Minister himself pointed out yesterday, Government always had three or four nominated directors on the board, including the Chairman of Hindustan Steel, the Secretary of the Ministry, high officials of the Life Insurance Corporation and others. These people were there, and they were supposed to act as the watchdogs of the

government in a company where 57 or 58 per cent of the share capital is held by various government agencies. So, what I mean to say is, that over this period of time, for several years, the company's affairs were definitely being mismanaged and, it seems to me, the Government was thoroughly complacent and it was not prepared to act against this management which was out for profits and was ruining the capabilities of this plant.

For example, take the loan agreement which was signed by the Company in July 1966 to get—1 forget how many crores of rupees—from the World Bank to finance, what the Company called, its Balancing of Plant Project. By the time the foreign exchange component of this loan was sanctioned, by 1969, the World Bank itself was asking for a reappraisal of the Company's project. As far as I am able to understand, the reason for the World Bank's concern was that when it went into the balancing of plant project, perhaps it found that the Company was not very much concerned about the crisis of the coke ovens which, as the Minister has correctly pointed out, was the key to the entire crisis of production. The Company was only talking about the modernisation of blast furnace capacity; it was not bothering at all about the very serious deterioration taking place over the years in the coke ovens. Whatever it may be, sometime between March 1970 and March 1971 the World Bank cancelled the loan. According to Shri Raghunatha Reddi—I am quoting his reply to a question of mine last week—

“The World Bank cancelled the loan because it was not satisfied that the management of the Company was sound.”

If the World Bank was convinced of the unsoundness of the management of this Company so long ago, are we to take it that this was unknown to the government? It could not be. In spite of that, we find that even in 1966 consent was given by the Government to this Company to issue bonus shares to the extent of Rs. 12.44 crores. That means, they are capitalising their reserves, not using their reserves for modernisation and rehabilitation of the plant, and this consent was also given by the Government in

the Department of Company Affairs. So, they knew all these matters which were going on.

The Company had also undertaken, what it called, its development project of the Chasnalla colliery, which is a captive mine of this Company. The extraordinary thing is you will find in the annual reports of the company for the year ending 31st March 1970 and 31st March 1971 they have admitted that actually because of this colliery project of their own, they were securing certain advantages which perhaps was not available to other steel plants. For example, they say in their report for the year 1970:

"The quantity of purchased coal from the Jitpur colliery, which is processed at the Chasnalla washery, has made a significant contribution to the operation of the blast furnaces."

Thus, only two years ago they were talking about how well they were doing. In 1971 they say:

"The supply of coal by the ropeway helped in maintaining a reasonable stock of coking coal at Burnpur when all other steel plants in the country experienced great difficulty in obtaining supplies of coking coal".

So, on the one hand, this Company has been trying to show that it is implementing a certain project for the supply of coking coal from its own captive mine from which it says it is deriving some benefit. On the other hand, throughout this period we find that production has been falling catastrophically in the steel plant, as the Minister pointed out; I do not want to repeat those figures again.

My point is that the Government of India cannot wash its hands of its moral responsibility for what has happened. It was in the know of things all along. It was the Government of India which was ultimately the guarantor of the loans to the Company from the World Bank and from the International Bank of Reconstructed and Development. It is the Government, directly or indirectly, which was the main shareholder to the extent of 58 per cent. Therefore, what I mean to say is that now the country and the people of this country

will have to pay much more than they would have had to pay if the government had acted earlier, more swiftly, more determinedly to put this Company back on its feet.

I would also like to raise a question about the mechanics of this take-over. Yesterday when somebody raised the question about this take-over for a limited period of two years only, what is meant exactly, the Minister has clarified one point for which I am grateful. He says there is no question of our handing back the management of the Company at the end of two years to the old management. But the question which remains and which I would like him to clarify further is this. Obviously, the management will not be given to the old management which was responsible for creating this state of affairs. That anybody can understand. But, has the government ruled out the possibility of handing the Company back to a newly constituted management? Perhaps, some people will be removed, some new directors will be put in, and that will be shown as a new management, and after the taxpayers' money has been spent in rehabilitation, in recuperation, of the sick unit, the management of the Company will be handed over to a new management. Is that not possible? We are opposed to this whole idea. We want to know why this take-over should not clearly be conceived of as the first step towards total nationalisation. The case for nationalisation is very strong. 1953 was the year when the IISCO and Steel Corporation of Bengal were amalgamated into the present Company. From that date, from 1953 upto 1971, the issued and subscribed capital of this Company increased four times, from Rs. 7.88 crores to Rs. 27.58 crores. The reserves of the Company increased seven times, from Rs. 6.11 crores to Rs. 42.44 crores, despite the fact that they were allowed to float large amounts of bonus shares twice. Thirdly, the total amount of dividends which has been distributed to shareholders amounted to Rs. 23.71 crores. So, as against whatever has been invested, much more than that has been taken out of this Company. So, the question of compensation and all that should not be such a big major hurdle here. They have taken much more out of this than they have ever invested into it. Therefore, a case for nationalisation is very strong.

[Shri Indrajit Gupta]

The hon. Minister referred yesterday also to the fact that the erstwhile managing agents, Martin Burn & Co., have continued to extract large sums from this Company even after the managing agency system was abolished. This is quite true. Not only that. The strange thing is that the amount has increased. This is the commentary on the working of the private sector. Almost the same state of affairs is going on in umpteen number of companies which have not come to light.

The Government brought a Bill to abolish the managing agency system primarily for the reason that it would prevent these managing agents from fleecing their managed companies large sums of money by way of commission. What do we find? The managing agents converted themselves into secretaries. The Martin Burn & Co. call themselves the secretaries of the Indian Iron & Steel Co. In the years from 1964 to 1970, the highest amount that they had drawn as managing agents' commission in any one year was Rs. 35 lakhs in 1966 and now, after they have ceased to be managing agents, in the year 1971, as secretaries, they drew an amount of Rs. 37.71 lakhs and, in 1972, it was Rs. 38.57 lakhs. They are actually earning more now as secretaries than they were doing as managing agents. What is this big bluff? We have been told that managing agency system has been abolished and this is the kind of thing that has been going on throughout.

Then, I asked the Minister a question whether, under clause 3, when this Bill is passed, all these existing contracts between the Indian Iron and Steel Co. and the Martin Burn & Co. will stand automatically terminated or not. As far as I understood him, if I understood him correctly, the Minister said that that is the intention or the desire of the Government but he cannot say what the legal interpretation of that clause may turn out to be in case they seek to contest it.

THE MINISTER OF STEEL AND MINES (SHRI S. MOHAN KUMARAMANGALAM): I do not know what the courts will say ultimately.

SHRI INDRAJIT GUPTA: After all, there may be a technical or a legal fiction also in the sense that all the

existing contracts are terminated and new contracts are again entered into. This should be made quite clear.

There is no hope of putting this company back on its feet if these huge-payments are going to be continued to be made to the Martin Burn & Co. or anybody else.

Not only that. This Company, although its production was going down so much in its main plant, was able to find Rs. 2 crores to invest outside West Bengal in a new concern called the Stanton pipe and Foundry Co. It is making a good profit. It did not have money to rehabilitate its own plant. You will find from its balance-sheets—I am just mentioning a few items; it is an extra-ordinary balance-sheet, profit and loss account, and so on—under the head "outstanding advances" that Rs. 14.66 crores have been advanced on personal security only. The Company says that they have got no other security except personal security against which they have advanced Rs. 14.66 crores. I do not know to whom. I would be interested to know who those people are.

As far as the luxurious high salaries enjoyed by their top executives are concerned, I have got a list—I do not want to take much time of the House—and they are all in the range of Rs. 8000, Rs. 7000, Rs. 6000 and Rs. 5000. These are what the top executives have been paid. Even now, I would like to draw the hon. Minister's attention to the fact, since he may say that the existing set-up should not be changed overnight, that here is a top executive getting Rs. 5000 per month or more whereas the General Manager of the public sector Durgapur Steel Plant, my good friend Mr. Tulpule is getting a salary Rs. 3000 per month. Here are people getting Rs. 5000, Rs. 6000, Rs. 7000 and Rs. 8000 in this private sector concern. I am sure, the Minister is not going to reduce the salaries of these persons just now fearing that they may run away and he may not be able to get other people. . .

SHRI S. MOHAN KUMARAMANGALAM: Are you sure?

SHRI INDRAJIT GUPTA: I am provoking you to tell me what you want to do.

Another strange thing is that precisely at the time when the production went down, the profits went up. The Minister also said it. This is what we have been maintaining always in every field, in private sector. The private sector is interested in artificially restricting the production. By doing so, they can increase profits. It is between 1969 and 1971 that the production came down by 14 lakh tonnes and, precisely, in that period, their profits increased from Rs. 3.2 crores to Rs. 3.68 crores. How does it happen? Why should they be interested in production? Why should it not be that a gentleman like Mr. Ramnath Goenka, a few years ago, was so anxious to corner the shares of IISCO? I had raised it in this House. I understand it because there is a gold mine for a person like Mr. Ramnath Goenka who was trying to corner the majority shares. You do not have to go in for production. You can keep production restricted in the present conditions of steel market and still you can earn very high profits.

So much for the past. I am, of course, not at all satisfied with what sort of role was played by these Government Directors on the Board. We should know something about it. The Minister should at least look into that. They were there all this time. There was Mr. Sohonic of the L.I.C. and the great ICS Secretaries of his Ministry, at least two of them, one after the other, were Directors on the Board. What were they doing?

Now, I would like to come to the present or the future rather and give a few suggestions as to what should be done. Here, in this statement explaining the circumstances which necessitated promulgation of the Ordinance, the Minister himself has said that this crisis was due to, primarily, the direct result of three factors which he has stated. The first one, according to him, is "ineffective and unresponsive management at the top." Very correct it is. I want to know what is going to happen to that ineffective and unresponsive management. We find that the gentleman who was so long the Deputy General Manager (Production)—that was his designation—that same gentleman, has been appointed the General Manager after the take-over. I have nothing personal against that gentleman. But commonsense suggests that whoever was the Deputy General

Manager (Production) during these years of decline in production must have been responsible to a large extent for that sorry state of affairs. He has now been made the General Manager.

Then, the gentleman who was the Chief Accountant of the Company has now been made the Financial Controller. I am only saying this to point out that it is difficult for us or for the public of this country to have any confidence that this plant will be able to run properly if it is going to be looked after by the same people who were responsible in high executive posts for the catastrophe almost overtaking it.

I would just draw the hon. Minister's attention to the report of our own National Productivity Council which he must have studied on the iron and steel industry in the U.S.S.R. and Czechoslovakia. Our National Productivity Council sent a team of highly qualified people and they submitted a report when they came back. I would just quote two or three lines. This is what they say:

13 hrs.

This is what they have said :

"In the Soviet steel industry, planning is carried out by technical personnel with specific steel plant experience. Not only is the head of the steel plant an experienced engineer with iron-making, steel-making or rolling experience, but even the Director of Sovnarkhoz or Gosplan is a competent technical man who has worked his way through steel or other industrial plants before attaining his post."

Then the NPC says :

"In India reverse is more or less true: the top management positions at the steel plant and in the bodies controlling the industry are often held by non-technical men."

I know that we suffer from a relative shortage of highly qualified technical men in this country still. But, nevertheless, I would point this out to the Minister: to undertake a big job like this, how does he expect the country to repose any confidence in those very same high executives who were there in the Indian Iron and Steel Company for making this state of affairs, to go on from year to year?



[Shri Indrajit Gupta]

Then I have a few suggestions to make. I have tabled some amendments; I will speak on those later on. He has a proposal in the Bill to set up an Advisory Board consisting of ten persons. Very good. I would suggest that, on that Advisory Board, at least one or two members, preferably two, out of ten should represent also the workers, the labour, employed in that plant through their unions or some other way—some way can be devised. But out of ten who are to function as Advisory Board, at least two nominees should be representatives of the organized labour in that plant. I think, it is high time that we gave up the old attitude towards the workers, that they have nothing to do with the actual operations and production in the shop, on the floor, and they are not in a position to give useful suggestions. This is not so. The men on the job in the shops, on the floor of the departments, working these complicated machines, are in a position and they are very often wanting to give technical suggestions, sound suggestions, but we cannot accept them in the present order of things because this is not considered to be the function of the workers, this is supposed to be the exclusive function of management, even though the management consists of only non-technical people. I hope, he will consider this.

Finally I would say another thing which has bedevilled this plant for a long time as in so many other plants—of course he knows from his own experience in Durgapur—it is the question of industrial relations. This company, the old management headed by Sir Biren Mukherjee was always maintaining, what I should say, a completely outdated, completely outmoded, conservative and reactionary attitude towards organized labour. They were not prepared to associate organized labour in any shape or form with the problems of the plant. If you study the speeches made by Sir Biren Mukherjee as Chairman of the Company for the last several years, you will find that 75 or 80 per cent of his speeches was a tirade against the workers. I do not say that the workers are always blameless, that the workers are never at fault. But the fact of the matter is that this decline in production in this particular case has to be attributed mainly to the sins of the management and not to any default on the part of workers. Now the workers have offered their cooperation to the Minister, all

the Unions have assured him of their cooperation. Therefore, I will plead with him that steps should be taken to put the industrial relations at Burnpur on a completely new footing and that the three or four unions which are there should all be associated, and be given an opportunity to associate themselves, with the management in the proper carrying out of this work and in solving quickly any dispute, industrial dispute, which may arise so that it may not be allowed to linger on and prejudice the whole atmosphere.

These are my suggestions, and when we come to the amendments, I will have something more to say.

SHRI M. RAM GOPAL REDDY (Nizamabad): Mr. Mohan Kumaramangalam, who is Caesar's wife, has been selected for this job by Shrimati Indira Gandhi. He is the right type of man to do the right type of work. Unfortunately, some incident occurs somewhere without his knowledge and motives are attributed to him; it is very unfortunate. The Minister, as the members know, is an efficient man. He knows when to strike and really he has struck when the iron was hot and has taken over this company. Negotiations were going on for the last three or four months; nobody knew about these things. It was kept as a well-guarded secret. In our country many secrets are leaked out. But in this case no secret was leaked out though consultations were going on between the State Ministry and the Central Ministry here. The State Ministry headed by Dr. Siddhartha Shankar Ray was mainly responsible and Dr. Gopaldas Naik, the Labour Minister there, had arranged all these things. Not only this, the Congress Organisation at West Bengal and also the INTUC had been pressing for the take-over of this company. This company employs over 25,000 persons in the factory and about 15,000 persons elsewhere in the coalmines and other places. It is the second biggest steel factory in the private sector. Its management was rotten as there were many difficulties. The management has to take the entire blame and so also the labour, though Mr. Indrajit Gupta has admitted in a small way that the labour was also responsible for its downfall. If this company is to be successful, the labour has to give their unstinted support to the management, and for small things they should not go on strike. Unfortunately, whenever any company is taken over by

the Government or whenever it is nationalised, the first thing that the labour does is that they go on strike. We have seen that, when the banks were nationalised, there was a strike. When general insurance companies were nationalised, there was strike. Such things must be avoided at least for some time to come. This is the biggest steel factory, it was producing over one million tonnes of steel. Unfortunately, steadily, the production has been going down from 1965-66 onwards. Previously this factory had a very good record. But now this factory and its private management have brought discredit to the entire private industry in the eastern region. The Minister has taken the correct step at the correct time. One can ask, when there was decline in production and there was unrest in labour and the production was going down from 1966-67 onwards, why did the Government not take over this concern. That is a separate question. When we look at the activities of some of the political parties in West Bengal, that becomes very clear. The political parties had been creating troubles in the factory; they had been creating chaos in that State. That is why Government had to wait for the appropriate time, and at the appropriate time, when there is peace in the State, when there is a stable Government there, Government has not wasted a single minute to take over the factory. I congratulate the hon. Minister for having taken over this concern. Moreover, he has done one more thing. A holding company has been created. It will do immense good to the steel industry, and there is a firm hope that, during the tenure of Shri S. Mohan Kumaramangalam, steel production will go very high and it will bring good credit to the country.

Mr. Mohan Kumaramangalam, while winding up the debate on his Ministry's Demands for Grants said that he was having a new story, a better story, to tell the next year. He has already started telling the best story.

\*SHRI C. T. DHANDAPANI (Dharpuram) : Mr. Speaker, Sir, on behalf of my party, the Dravida Munnetra Kazhagam, I extend my support in principle to the Indian Iron and Steel Company (Taking over of Management) Bill, 1972.

The hon. Minister of Steel in his introductory speech advanced the argument that the Government have come forward with the proposal to take over the management of the undertaking of the Indian Iron and Steel Company limited mainly on the ground that the management of the company had been unable to halt the steady deterioration in production prospects and also that the management did not realise the urgency of implementing schemes for the modernisation of the Plant and its expansion. He also stated that the Government therefore decided to take over the management of the undertaking for a limited period of two years to secure the proper management of the company and to subserve the public good in the context of the steel requirements of the country.

I have at the very outset stated that in principle I support this Bill. But I join issue with the hon. Minister on the question of taking over the management for a limited period of two years. As Shri Indrajit Gupta, who preceded me, pointed out, it is not clear whether the Government, after this period of two years, will keep the undertaking under its control. The hon. Minister was good enough to state that the management of the undertaking would not have handed over back to the same old management, but it might be handed over to a new management. Here I get the doubt that the Government would not in all probability completely nationalise the undertaking, but, after two years, the undertaking would be handed over to a new management. I would like the hon. Minister to clarify as to what is going to be the ultimate shape of things to come so far as this undertaking is concerned.

I would say that there is no wonder in the Government deciding to take over this unit. In fact, it would have been a wonder if the Government had not come forward with this proposal. When the public sector financial institutions own nearly 58% of the shares of the company, it is not surprising that the Government should have rightly decided to take over the management.

The hon. Minister in his speech yesterday referred to the increase in production of IISCO after the Government have taken it over. At the same stretch he also pointed out the imperative necessity for bridging the gap between the demand and the domestic production.

\*The original speech was delivered in Tamil.

[Shri C. T. Dhandapani]

including the production in the public sector steel plants. It is common knowledge that the production in the public sector steel plants is not upto the full rated capacity. The production of IISCO was declining steadily in recent years and as soon as the Government have taken over the undertaking, the production has picked up. If the Government could function so efficiently in regard to a private sector plant which has been taken over recently, I wonder why the same kind of functional and administrative efficiency could not be shown in the working of public sector steel plants where also the installed productive capacity is not being fully exploited. I am unable to appreciate the anomaly. If the Government function as efficiently, as it has functioned in regard to the private sector unit which has been taken over just now, in respect of public sector steel plants, then we can derive some consolation that the increasing gap between the demand and the domestic production is being narrowed. The Durgapur Steel Plant is adjacent to IISCO and I wish that the Government had shown similar active interest in increasing the production in Durgapur Steel Plant.

Sir, who has been appointed as the Custodian of IISCO? A gentleman who has got just two years' experience in Hindustan Steel has been appointed as the Custodian. As Shri Indrajit Gupta stated, he is an Accounts man and I do not know how the IISCO is going to function efficiently under his guidance. He is a non-technical man to run this engineering unit. Apart from the investment of public sector financial institutions, still the shares of IISCO are being held by men like Goenka. I think he has still 30 lakhs worth of IISCO shares with him. I say this to illustrate that the private sector has got a definite say in the management of the undertaking, which has been taken over by the Government. In the very recent past, the shares of IISCO were bought, sold and transferred. I came across a news item in a newspaper from which I would just quote a few lines.

"How did the institutions' share then go up by 16 percentage points since April, 1971? Have holders other than Goenka sold Indian Iron shares to them? Surely not to L.I.C. which could hold more than 30% of the company's equity."

I would like to know from the hon. Minister as to whom these shares have been sold.

Yesterday, the hon. Minister of Steel was kind enough to give certain statistics of production of steel. When we compare the per capita consumption of steel in India, we find that it is the lowest. While the per capita consumption of steel in Czechoslovakia is 594 kgs, in France 443 kgs, in West Germany 659 kgs, in Japan, where iron ore is not available, 603 kgs, in Philippines 35 kgs, in India it is only 11 kgs. We are not utilising the available iron ore in full and properly. On the other hand, we are exporting iron ore to other countries. In 1969-70 the export of iron ore was 5.9% and in 1970-71 it had gone up to 7.5%. While the production is going down, leading to price rise, the export is going up. We expected that with the coming of the new Minister of Steel there would be a reorientation of policy. I regret that these expectations have been belied. I request the hon. Minister that he should reorient the steel policy to the benefit of the country.

Sir, we have had three Five Year Plans and the Fourth Five Year Plan is also coming to an end. In spite of our planned efforts, the gap between the target and achievement in these Five Year Plans is regrettably wide. In the Five Year Plan the target of production capacity of finished steel was 17 lakh tonnes while the achievement was only 13 lakh tonnes; in the Second Five Year Plan the target was 44 lakh tonnes and the achievement 24 lakh tonnes in the Third Five Year Plan the target was 76 lakh tonnes and the achievement 56 lakh tonnes. The actual production target was 69 lakh tonnes, but the production was just 45 lakh tonnes. In the fourth Plan the target of production is 81 lakh tonnes and it is expected that the achievement will be of the order of just 62 lakh tonnes.

If you look at the imports, it is going up. We were expecting that the new Minister of Steel would take steps to reduce the imports. In 1950-51 the import was of the order of 20 crores, but in 1970-71 for the period April-December, the import bill came to Rs. 101 crores. The export of iron ore is going up. The production of steel is going down. The import of different kinds of steel is going up. All these contradictory factors have led to steep rise in the price of steel, from 50 to 85. If the

steel price goes up, naturally the prices of other things go up. For example, the prices of agricultural implements have gone up considerably, impeding our efforts for self-sufficiency in food-grains production. The hon. Minister of Steel, who has been of late taking great interest in the welfare of our farmers and who has been talking loudly about their woes, must give some thought to the phenomenal rise in the price of steel. He should do something to bring down the price of steel.

With the assumption of D. M. K. Party Government in Tamil Nadu and with the solid support of all the people of Tamil Nadu, the State has been able to get Salem Steel Plant. The people of neighbouring State, Kerala, are also demanding for a steel plant. I appeal to the hon. Minister that a Steel plant should be located in Kerala also. I would also urge upon the hon. Minister that proper attention must be paid for timely transportation of steel products from the places of production to the places of requirement.

Before I conclude, I am not happy with certain provisions of this Bill, about which my hon. friend Shri Indrajit Gupta has made certain valid points. I am not happy why it should be mentioned in the Bill that the undertaking is being taken over for a limited period of two years only. Secondly, after this period of two years, this undertaking should not be handed over again to private hands. After spending public funds in making the undertaking function efficiently, the nationalisation of the undertaking should be full and complete. After two years also to subserve the public good in the context of the steel requirements of the country the undertaking should be continued to run efficiently. I hope that the hon. Minister of Steel will implement all his assurances given on the floor of this House regarding this undertaking.

With these words, I support the Bill.

**SHRI K. GOPAL (Karur)**: Since yesterday I have been hearing the speeches of some of the hon. Members and I am really glad to see that everybody has welcomed this measure. Nobody has questioned the wisdom of the Government as to why they have taken over the management of the IISCO. But, at the same time, somebody has asked as to why it should be taken over only for two years. If this is going to be the first step for nationalisation I

would welcome it. The Minister said that he is not going to hand over the management back to the old people. Shri Indrajit Gupta said about it. I do not know whether they are going to have some other Board to manage this. The reason why this was taken over was explained by the Minister. It was due to mismanagement and loss in production. The rated capacity of this plant is one million tonnes. During the past ten years what is the position? I can give the figures for the past ten years. They are :

Years	Rated capacity
1963-64	10.27 lakh tonnes
1964-65	9.50 "
1965-66	9.70 "
1966-67	8.97 "
1967-68	7.91 "
1968-69	7.77 "
1969-70	7.00 "
1970-71	6.27 "
1971-72	6.17 "

I understand that during April-May, 1972, it was just 40 per cent of rated capacity. This is not something which is just accidental. It is not due to incapacity of the plant itself to produce; it is mainly because of mismanagement. They knew that IISCO would be taken over one day or the other. That is why they indulged in all these mismanagements.

Our hon. friend Mr. Indrajit Gupta pointed out that this should have been taken over long time back. I do agree with him; but there are lot of things which we had to do. When they had committed so many wrongs, we have got to rectify them. That took some time. But, we have done it. As I said loss in production is there, not because the plant could not produce the thing, but because, they deliberately ignored this.

On the one hand the overhead expenses were going up; the expenses on the maintenance of the plants were going up. But, production did not go up. They had the managing agency system for quite a long time. Martin Burn was their managing agents. Strangely enough even though there was full-fledged Board, they had Martin Burn as their

[Shri K. Gopal]

Secretaries and also as their registrars and to make security arrangements. I am not able to understand this logic at all. On the day of paying salaries to the workers they used to get a commission of twelve per cent. Just to encash the cheque they used to get a commission like that, amounting to Rs. 30 to Rs. 40 lakhs per annum. The controlling interest was in the hands of one family. Having just 0.5 per cent of shares they were having such controlling interest; they were acting in a zamindari fashion. They completely controlled the management. Having 53 per cent Government shares, by way of credit of financial institutions and having three Directors responsible there, the Government were not able to do anything. I would like to know whether it was done deliberately by the Government's representatives or Government was complacent about it. They were just having 0.5 per cent shares and controlling the whole management, and sitting at Calcutta they could do this, having their factory and plant at Burnpore. When Government had more than 53 per cent shares, how is it that they could not remedy the situation? For the past four or five years they did not pay heed to the advice of their technicians. The operation of the coke oven plant was deteriorating day by day. Four years back the Manager of Works suggested injecting of benzene oil but the management refused to listen to his advice and even the steel melting shop was not run properly.

Mr. Ram Gopal Reddy said that this was done all of a sudden. But, the management knew that this will be taken over one day or the other. That was the reason why they were neglecting the plant all those years. They ignored the plants; they just wanted to suck and syphon out as much as possible.

They had interest in eight companies. One of them was Indian Standard Wagons. They were supplying steel to this company free of cost. I do not understand how a company can supply their production-free of cost to another company, be it a subsidiary or sister concern. I do not know how they could have done this. Were the Government representatives sitting on the Board closing their eyes about this mismanagement? I would like to know.

Before I conclude, I would like to say this. Some of my friends said that

under the public sector efficiency goes down. It is not the mistake of the policy of the Government. It is not the Government's policy which is wrong. What is wrong is with the system.

The hon. Minister declared last year that they are going to put workers' representatives on the Board. If only they had done it in the public sector, the public sector would not have so miserably failed. Out of ten persons in the proposed Advisory Board there should at least be 3 from the workers' side. The custodians are appointed in the public sector undertakings. They are held by I.A.S. people or chartered accountants. I do not doubt their integrity or their honesty. They are efficient people no doubt. But, I may point this out and say, unless you have a technical man as head of the organisation how can you run it? IAS man can manage a job efficiently at the head office but he cannot run a factory. Running a factory requires lot of talent. He should have technical talents. I compliment the Minister that this is a feather in his cap. The first thing is the coking coal; the second thing is the Indian Copper Corporation; and the third thing is this one.

While concluding I would like to say this. While I welcome this measure, I feel that this is a half-hearted measure. Instead of saying that we are going to take over the management for two years' initial period, he could have said that we are going to nationalise it straightway. The plant has been given to him as a sick child. I am sure he will be able to nurse it. I do not know whether he is a good baby-sitter; but at least this much I am sure, that he will do it. With this I conclude. Thank you.

SHRI SHYAMNANDAN MISHRA (Begusarai): To my mind this measure was long overdue. In fact, if I can go to the length of saying so, there was culpable delay in this matter. Government, or for that matter, public financial institutions had already acquired the position of a dominant equity-holder quite sometime back. The Government had been looking on the mismanagement which had been going on there for quite a long time. After Mr. Goenka sold a parcel of thirty lakhs of shares in April 1971, constituting 11 per cent of the total shares, Government should have stepped in at that very time. But Government, for reasons best known to

them, did not choose to do so. What was in essence a *de jure* position is being given a *de facto* shape.

The public sector owns 49 per cent of the equity and another 4.5 per cent was pledged to the nationalised banks. My submission is that the Government's position was dominant *de jure* earlier too.

13.29 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

But one wonders, Mr. Deputy Speaker, why has the Government taken the unusual step of taking it over through an ordinance. My submission is that this could have been taken over even under the provisions of the Industrial Development and Regulation Act. But Government always chooses to resort to the method of ordinances, and it is the great sorrow of Parliament that these things should be done through ordinances.

I was submitting, Government had not chosen earlier to exercise their powers under the Industries Development and Regulation Act, and, therefore, there had been great loss incurred by the country in this very vital field of our economy. A few general remarks, so far as the steel economy of the country is concerned, are in order.

We have a curious picture of the Government's policy in this matter. There has been a colonial economy operating in the steel sector. That is the position which has been emerging; it is not that it has already become a colonial economy in the steel sector, but that is the position which is steadily emerging. We have been exporting iron ore to the extent of 21 million tonnes annually and importing steel to the extent of about 1.5 million tonnes or so; now it may be nearly 2 million tonnes. These 21 million tonnes could have yielded us about 9 million tonnes of steel. But instead of building up the steel capacity or even utilising the capacity already built up to the maximum extent possible, Government have been depending upon the easy course of exporting iron ore and getting steel of such low order.

If these colonial tendencies in our economy have to be stopped, then the only course is to run our existing units properly and to add to our capacity as

fast as possible. In fact, Japan to my mind has been adding to its steel capacity every year to the extent of seven to eight million tonnes; I say this subject to correction. I hope the hon. Minister has got the latest information about this matter. So, the Japanese steel economy is an expanding economy and it may well be that Japan would be in a position to push back even the larger steel producers in this field in one or two years.

What Government seem to be doing is extremely unfortunate. What they are doing is hospitalisation and not what one might say nationalisation. Probably, it was under the pressure of public opinion that the Government were compelled to say yesterday that though they were hospitalising it for the time being, — no doubt they did not use that very word — they were finally going to take it over. But my submission is that the tendency that we find in the Government's policy is towards hospitalisation and not what one might properly call nationalisation.

India is rapidly becoming a hospital State. We are taking over sick units, and in effect, what it means is that we are nationalising losses and we are not nationalising gains, and that could not be the meaning of nationalisation as we understand it. Nationalisation in every case does not equal socialisation or socialism. There could be nationalisation plus socialism; there could be nationalisation minus socialism, and there could be nationalisation worse than capitalism. We have to bear this clearly in our mind. So, it is only when we find that there are social gains, there are social returns, and there are social surpluses emerging that we can say that we are running nationalisation in a proper way to conform to the socialist criteria. So, I submit that the present tendency will have to be observed by the country with all care that it deserves.

The basic fact of the steel situation in India is that we require 2 million tonnes more to bridge the gap between demand and supply. Now, how could it be done? The first course that could be taken is to utilise the existing capacity in the best manner possible. That was not being done so far as this unit was concerned. In fact, there had been a decline in production. Here, my submission is that there does not seem to be any method in the goodness, if I can

[Shri Shyamnandan Mishra]

say so, in contrast to madness, so far as the policy of the Government is concerned. If Government wanted that the steel policy should be put on a firm footing and there should be comprehensive planning for steel, then Government simultaneously could have taken over TISCO also. I am not suggesting it because I find that the TISCO is running badly; that was not my suggestion at all. TISCO has been in a much better shape; TISCO has had much better management-labour relations, and its outturn has been satisfactory. But my submission is that TISCO cannot expand further on its own resources. If we want to bring about expansion, as we must, because our steel requirements dictate it, then we have to take over TISCO. The management of the TISCO has already lost all interest in expansion. It cannot bring forth its own resources. Only if Government are in a position to provide them with resources and are able to guarantee them the resources, they will be able to go ahead with the programme of their expansion. Can we leave this important unit without expansion if we want to make good in the steel sector?

So, my humble submission is that this unit also simultaneously should have been taken over, not because of the fact, it has been running badly but because of the reasons I have mentioned.

There is another aspect to it, and that relates to the rising prices of steel that takes place so often. Recently, the rising prices have benefited the Tatas to the extent of Rs. 4.5 crores, whereas the decline in their profitability was only to the extent of about Rs. 2 crores. If these increases in prices take place to the advantage of the private sector and yet it is not even able to bring forth all the resources that are necessary for its expansion. I do not think that there is any justification for this steel unit to remain in the private sector. So, it is simply beyond the capacity of these units, the IISCO and TISCO, to go in for expansion. There is the earlier experience also that the Tatas in their plan of expansion spread over a period of ten years had to live mostly on the resources provided by the Government or guaranteed by the Government.

MR. DEPUTY-SPEAKER : Now, the hon. Member should try to conclude.

SHRI SHYAMNANDAN MISHRA : Other Members who had spoken earlier had a lot of time.

MR. DEPUTY-SPEAKER : But the hon. Member is talking more about TISCO than about IISCO.

SHRI SHYAMNANDAN MISHRA : Because the thing has to be viewed as a whole. So, if Government do not take over that also, they would come to grief very soon.

TISCO finds itself at the present moment in the neither-life-nor-death zone, and it is in a sense marking time and getting ready for eventual take-over. This was the right time, to my mind, when it should have been taken over.

So, my humble submission is that if we want to come up according to the requirement of the Fifth Five Year Plan to 11 million tonnes or so, then there can be no denying the fact that that would depend largely upon the expansion of these private sector units also. One unit has been taken over, but that would not give Government full scope for planning the steel programme properly. In fact, what was done in the United Kingdom when they nationalised steel was that they left out only those units and those mixed groups whose main interests were clearly outside iron and steel. Otherwise, they had taken over all the steel units which could have given them scope for comprehensive and effective planning. That ought to be done in this country also.

SHRI SURENDRA MOHANTY (Kendrapara) : It is one of the rarest moments in my life when I welcome a measure initiated by the Treasury Benches. I do not know whether I should thank the hon. Minister of Steel for this unique opportunity or myself...

SHRI INDRAJIT GUPTA : Thank both.

MR. DEPUTY-SPEAKER : I wish that there were more opportunities like that.

SHRI SURENDRA MOHANTY : The intentions which have inspired this legislation are holy and its postulates are unexceptionable. But according to me, there is more than meets the eye in this Bill. I would only urge upon the Minister to dispel those mists of doubt

and misgiving. While we are, by and large, welcoming this Bill, his job has been more than simplified. But I would only beg of him to clarify the mist surrounding this legislation.

In the first place, we know, as the Minister had given out yesterday, the public financial institutions have about 49 per cent holding in the capital structure of IISCO with four government directors on its board. Therefore, it behoves us to know why with all this massive public investment in the company and with four directors on the board, Government were all along mute spectators to this gradual, progressive decay and decadence of the company. Had I been uncharitable enough, I would perhaps have said that the Martin Burn group or the Sir Biren group did not oblige the powers that be with the funds demanded for the political chests. Government had tolerated the company all these years, but when the disillusionment about political donations came, the Government decided to take this step which ought to in fact have been taken much earlier.

There is another aspect. Why is it going to be taken over only for two years? This is not an original point I am making. Even speakers from the Congress benches have asked this question. What is sacrosanct about two years? Though I am not a technical man, understanding from the detailed catalogue of work that is going to be undertaken in this plant regarding modernisation and so on, the process itself will take two years. What happens after these two years? Is this going to be the beginning of the joint-venture, joint sector project where the hens will be fed by the taxpayers and the golden eggs will be appropriated by the private sector? If so, we should know.

While considering this Bill, one cannot preclude from the dimensions of our discussion, the entire steel economy of our country. With all our massive majority, massive mandate and political massiveness, we produce only one per cent of steel production of the world. Japan which was producing merely a million tons of steel in 1948 is now producing 97 million tons, whereas with all the inputs in the shape of iron ore, coal, manganese and cheap labour easily available to us, we are still

fumbling at the 6 million tonnes figure. Yet Japan has to depend on every ingredient for its steel industry from outside.

If my information is correct, the country's import bill for steel this year is likely to be at least 5 times amount anticipated at the time of the Budget presentation. Against an estimated Rs. 40 crore import, steel import is going to cost us Rs. 200 crores. At that time, indigenous production was estimated at 7.20 million tonnes of ingots or 5.4 million tonnes of finished steel, as against our demand for 6.13 million tonnes of finished steel. But production has in the meantime gone down mostly in the public sector, the HSL plants. My information is that during the first quarter of 1972-73, it has been only 8.74 lakh tonnes as against 11 lakh tonnes planned. I would be very happy if the hon. Minister corrects it, but this is my information that production in the HSL plants is going down and down.

The nationalised management of the HSL steel plants have not been able to attain more than 60 per cent of capacity utilisation even now. The hon. Minister said that IISCO's was hardly utilising 50 per cent of rated capacity. But what about the HSL plants? What about Bokaro? Bokaro which was to be commissioned at the beginning of June this year will not be commissioned by the middle of next year. According to knowledgeable sources, each month's delay in commissioning costs Rs. 5 million on account of indirect expenses like salaries, establishment, technical supervision etc. The hon. Minister is taking charge of IISCO, but who will take charge of the hon. Minister?

MR. DEPUTY-SPEAKER : You.

SHRI SURENDRA MOHANTY : This House? Which has been denuded of all its authority, which has been completely atomised by the massive majority?

MR. DEPUTY-SPEAKER : Do not be so modest.

SHRI SURENDRA MOHANTY : Who will take charge of him? In all fairness, let Shri Raj Bahadur take charge of him. I have no quarrel with him on that score.

Last year the hon. Minister made a very bold promise that he was not interested in speeches, he was interested in



[Shri Surendra Mohanty]

achievements and he would be able to tell us a good story next year. That was the refrain of his budget speech in 1971. But today, in 1972, he sings the same old song. It is not a political question nor a question of scoring a debating point. I ask him man to man, citizen to citizen — who will take charge of Shri Mohan Kumaramangalam with all this record of performance?

So while welcoming this Bill, I would here and now demand a categorical assurance from the hon. Minister that our steel import this year is not going to cost us Rs. 200 crores, that our nationalised mills are not going to have this vast segment of unutilised capacity lying idle and that India is going to attain its massive status not in political slogan-mongering, nor in in political Machiavellism nor in vote-catching, but also in production of steel.

**SHRI VASANT SATHE (Akola):** While congratulating Shri Mohan Kumaramangalam on bringing forward this long-delayed but very laudable Bill, I would like to ask: is it not time in our country that we decided to pursue certain basic policies with courage and wholeheartedness, meaning thereby that all basic industries like steel, cement etc. must come under the public sector and should be nationalised? There should be no half-heartedness in this. Secondly, if at all we had to take over this sick unit, why not take it over wholly and now when you would be required to pay compensation on a much lower scale than later after two years when we have invested so much in it and put it on its feet when the share value would go up. Then the question would be, what compensation is to be paid to this nationalised concern.

In the case of all these sick mills in the country, our policy ought to be to take them over at the book value today so that you do not have to pay much and nobody would come with a grievance later that the market value of the concern is so much and Government have not been fair in denying it to the shareholders. But what has happened is that we take them over, act as baby-sitter, we try to hospitalise them, as was rightly pointed out, bring them up, invest public money in them, and later on we are faced with the problem of how to compensate them. Therefore I should join all those members who have expressed their views. I request the hon.

Minister to reconsider this proposition. There is no point of any honour involved. He also says there is nothing sacrosanct about two years. Then why not accept the suggestion when practically the unanimous opinion in the House appears to be: nationalisation, here and now, the whole hog, completely.

Secondly, in our country if we want our public sector concerns work successfully, let us have faith in our working class and let us give them full participation in the management. All the employees should be made shareholders and you should ask them to elect their representatives on the board of directors and run the industry, as is done in Yugoslavia and other countries. The workers have full responsibility for running the show. There will be no feeling that somebody else is the employer or owner, so that there is no question of slogans like: *Hamare Mangan Puri Kare*. There will be no feeling of that kind. I would request the hon. Minister to consider nationalising it here and now.

I oppose the motion moved by an hon. Member from the Opposition disapproving this measure.

**MR. DEPUTY-SPEAKER:** The hon. Minister.

**SHRI R. S. PANDEY (Rajnandgaon):** I want to congratulate the hon. Minister for the laudable work he has done.

**MR. DEPUTY-SPEAKER:** You have done it. The hon. Minister.

**THE MINISTER OF STEEL AND MINES (SHRI S. MOHAN KUMARAMANGALAM):** I must first of all thank all the hon. Members who have participated in this discussion for supporting this decision of the Government. It is somewhat surprising to see the extraordinary unanimity on this question, particularly from parties which do not normally give their support to Government on matters of this character and that perhaps shows how right was the decision of the Government.

Discussion had ranged over a very wide ground and hon. Members would pardon me if I am not able to deal with all the points raised because they have been so numerous and so wide in the implications; I shall try to deal with the points which directly pertain to the Bill.

Hon. Members have, with justice perhaps, criticised the delay in coming forward with an action like this. Personally I think there is some justification for such a criticism. But there are also, if I may use the expression, some extenuating circumstances. While production had dropped to something like 617,000 tonnes in 1971-72, by and large much of the deterioration was thought to be due to the very disturbed state of industrial relations between 1967-68 and 1971-72. That was, I think, the premise on which many persons moved in the earlier period. I do not think it was entirely correct and I made this clear when I introduced the Bill. I thought this probably would enable the management to excuse themselves in relation to the obvious fall in production.

Hon. Members have criticised the members of the board of directors who were nominated by the Government for not paying sufficient attention to the working of the concern and not bringing matters to the notice of the Government.

I have been in charge of this portfolio only for the last one year and a half and I think it is not proper also for me to go back too much into the past. But I should like to mention to the House that during the last one year members on the board of the Indian Iron, nominated by the Government, have taken very active part in the work of the board and I think I must express my thanks to them for bringing to my notice the deteriorating position in the Indian Iron, leading me and ultimately the Government, to the conclusion that Indian Iron's management must be taken over. It would not be out of place to mention that in regard to the decision to bring back into operation coke-oven batteries 5 and 6, initiative was taken by the Government directors headed by Secretary for Steel Mr. Sarin. The new plans for expansion and improvement of the project have been discussed almost entirely on the initiative of the Government directors and steps thereon taken in the recent past. I am bringing all this to the notice of the hon. House because Members, rightly, asked: what were you doing when all this was going on? They were doing something but taking over is not a matter that can be decided in a day. After all, it is a major steel plant and there are a number of implications in taking it over, managerial implications, implications in relation to our

capacity to be able to really run the plant effectively and it is only when we come to the conclusion that we would be in a position to definitely improve on the conditions as they are today in HISCO and that the taking over is not just going to be taking over for taking-over sake, we come to this decision and we took it over.

Hon. Member Shri Indrajit Gupta raised the question: what have you done with the management after taking it over? Ordinarily in this House we do not get into a discussion of the merits and demerits of individuals who are not here to defend themselves, but it is necessary for me to make it clear to my friend Mr. Gupta the position about the two persons he mentioned.

As for the former deputy general manager, Mr. N. R. Dutt who was appointed the chief general manager, it would not be entirely correct in my view to place on him a major responsibility for the managerial failures in the recent past. That is our judgment on the basis of what we came to know. In fact after Mr. Dutt was appointed a member of the board of the Indian Iron he was not given any specific responsibility in the running of the plant and the main managerial responsibility, as I mentioned earlier when I introduced the Bill was invested by a resolution of the Board of HISCO with Mr. Romen Mukherjee and Mr. B. P. Ray, and if any criticism has to be made of the way in which the management was conducted — criticism has been made both on this side and on the other side — it will have to be directed to that area, and not against the person who has now been appointed as the chief general manager.

He asked: why don't you put somebody else, a new person? We thought that it would be better to have a person who knows HISCO well in the immediate period after take-over and to put him on test to see how he worked and to watch him. We have put a custodian in charge, who, as an hon. Member said, is not a technical man but who has been associated with the steel industry for the last two or three years. It was Mr. Dhandapani who mentioned it, I think. We thought it is better to follow this procedure and take our own time in introducing new personnel. It does not pay at all to hasten and make drastic and radical changes because persons whom you introduce into an organisation like this always take some time to

[Shri Mohan Kumaramangalam]

find their feet. We have got plan to organise the operation of the management. Naturally the present custodian who is also currently holding charge of the office of the finance director of Hindustan Steel will not be able to bear the burden of both the responsibilities, namely, custodian of Indian Iron as well as financial director of Hindustan Steel. We propose to appoint a new Custodian probably within a reasonable time, a person who we think will be able to discharge his duties effectively. I do not think that it is always necessary that a person at the level of the Managing Director or Custodian of a concern like this need be necessarily a steel man, because he is not responsible for the day to day technical operations.

14 hrs.

But, so far as lower down is concerned, there are certain weaknesses in the managerial structure which we intend to remedy. But, so far as we are able to see at present, the experiment that we are making of continuing certain of the old managerial personnel in leading position has helped us immediately to bring about certain improvement in production. But I can assure the hon. Members that we are keeping a very close and vigilant eye on what is going on. It is only a little more than a month since we took over this concern. In that one month I have myself visited Burnpur and had discussions once. The Secretary of the Steel Ministry has visited Burnpur himself and had two discussions regarding the measures to be taken, regarding the rehabilitation measures to be adopted, which I have mentioned earlier, getting coke from Durgapur projects, getting coaltar from Durgapur steel plant, getting boilers, getting cranes because the existing ones are in a very bad condition and so on and so forth. I think the steps that we are taking are producing results and I hope hon. Members will give those who have been put in charge a chance to prove their worth. I think that it is not always so useful to make a clean sweep of everybody because then the persons you put in may not be competent in terms of the knowledge of the plant. Everybody has to have some knowledge in terms of the plant to be able to run these plants properly.

A criticism has been made that we are putting non-technical people My

hon. friend, Shri Indrajit Gupta, quoted from the report of the team of the National Productivity Council on this point. This criticism was made by other hon. Members also. I think we have appreciated the validity of the criticism made by the team of the National Productivity Council. Because, hon. Members will remember, so far as Hindustan Steel is concerned, it is the technical men who are the General Managers both in Bhilai and Rourkela. If we made a departure in Durgapur, that was for obvious and special reasons. But, certainly, the emphasis is on improving what may be called the technocrat leadership of the steel plant as a whole, though I do not myself subscribe to the opinion that only a steel engineer, as it were, is capable of becoming a technocrat. Experience has shown that persons who may have started even in other professions have been able, after years of work in steel plant or in connection with steel plants, to develop sufficient expertise provided they have got the managerial capacity, managerial leadership to be able to head organisations of this character.

I do not want to go into all the details about the past of Indian Iron. So far as the two-year period is concerned, as I have said earlier when I introduced the Bill, we have fixed these two years because we have been advised that under the law if you do not fix a particular period of time for take-over of the management, you will be liable to pay management compensation. Hon. Members would remember that in some Bills we have provided for management compensation; in some Bills we have not. Here we are not quite sure about what we are doing in the future, what kind of permanent structure of management we should have for this kind of organisation, whether it should be a public sector management and so on. But I would like to assure Shri Indrajit Gupta, Shri Gopal and others who raised this question, that there is no question of handing the management back, either to the erstwhile private management or any other new private management; that will not arise. The question is how exactly we are going to deal with it in terms of take-over, whether it should be ultimately as purchaser of the shares, whether it should be acquisition, what scale of compensation will be paid, if any and so on and so forth. Naturally, that will not be possible unless we come before this House, and that will be time

enough to explain what exactly is the measure we are proposing and the basis for the measures that we are bringing before the House.

Hon. Members have raised the question of new managing contracts. I think that was again raised by Shri Indrajit Gupta. There is no reason for us to give any contracts to the management at all. The management will naturally be strictly done by the Custodian, assisted by the Advisory Board which is provided for in the Act.

A point has been made that workers' representatives should be included in the Advisory Board. Our difficulty about making a specific statutory provision for this is that very often, owing to differences between the unions and so on, we are not able to work out a procedure which is satisfactory to all so as to enable workers' representatives to be on the Board. It is now well over a year since I made the offer to the Joint Wage Negotiating Committee, it is now called the Joint Negotiating Committee for the Steel Industry, requesting them to work out a procedure by which I could include two representatives of the workers on the Board of Hindustan Steel. We have not been able to reach a conclusion on that. But it is certainly the intention of the government to include representatives of workers. But we do not want to put it as a statutory condition, because then the question as to whether the Board is complete or not complete, valid or invalid would arise. Even in the case of banks, though it was introduced in the Act as a provision, I believe it has not yet been brought into operation owing to differences. This is the difficulty, so far as this problem is concerned. But I would assure the hon. Members that we do want to take the workers' representatives in the Board and very probably we will succeed in doing so.

We want to put industrial relations on a new footing, to use the same expression that fell from the lips of the hon. Members, though I do not by any means under-estimate the difficulties which face us in this field.

I would very earnestly appeal to all hon. Members, particularly those members who are concerned with trade union movement in West Bengal, to give us assistance to sort out this very very difficult problem of the shift cycle in Burnpur. I do not want to go into more de-

tails. It is the pre-historic relic of the, if I may use the expression, management's desire to make maximum profit and to take advantage of workers' desire to make maximum wages even in violation of the law regarding overtime and regarding the hours of work that has led to a very bad state of affairs in IISCO in the past. Now things are sought to be remedied by an agreement which the unions and the management arrived at in 1971. It means a certain reduction in the earnings of certain categories of workers because of reduction in overtime, because of having weekly off, which earlier was not there, and this is being resisted by certain sections of the workers. It is not my desire to start throwing blame on anybody, but it is my intention to put before the House the difficulties which we are facing. All that we ask for is, if I may use the expression, the sympathy and support, particularly of the trade unionists who are in this House, to help us to sort out that problem. We have to sort it out. I do not know how things will develop in the coming months in relation to this difficult problem which has to be solved if industrial relations in IISCO are to be stabilised. Therefore, I would only content myself by saying that I would appeal to all of you to help me in whatever way that you can, particularly those of you who are active in the trade union movement.

I do not think it is necessary for me to go into the details of what happened to Shri Goenka's shares, how many he bought, how many he sold, because they do not matter any more. The shareholders, as it were, are being put to sleep by the Bill that is here before the House. Therefore, the fact that he will have many shares or a few shares becomes irrelevant, so far as the conduct of work of the Company is concerned.

Finally, one or two allegations have been made. I think Shri Gopal mentioned that steel has been given free by Indian Iron to Indian Standard Wagon. I do not know from where he received this startling information. I will certainly check it up and find out whether it is true or not; it is very unlikely to be true. Because, it is crossing even ordinary bounds of commercial immorality which sometimes has been operating in our country. Of course, it is a fact that Indian Standard Wagon owed considerable sums of money to Indian Iron

[Shri S. Mohan Kumaramangalam]  
for steel purchased by them. We are asking them that this should be paid up.

A question was asked by my hon. friend, Mr. Mishra, as to why is it that we did it through an Ordinance and why is it that we did not take recourse to the Industrial Development and Regulation Act. If the hon. Member will look at Section 18-AA, he will find that it is somewhat restricted in its operation. That is, you have to prove either diversion of funds, that is one of the things, or it means it has to be closed down for as long as three months. There are certain conditions laid down. The legal advice to us was that it may be difficult to bring the take over of IISCO within Section 18 AA. The other difficulty was that even if we took it under Section 18 AA, all those managerial contracts which we were getting rid of by means of clause 3 of the Bill will continue to operate because we would merely be stepping into the shoes, in a sense, of the Board of Directors and all the contracts which would bind them would bind us also. Also, the other provision which we have put in clause 14 will not be available to us.

Sir, it is not that we love taking over organisations like this by an Ordinance. You will appreciate that if we introduce a Bill in the House that we are going to take over the IISCO and the Bill is debated in the way in which we debate, in the way we should debate, and then it goes to the Rajya Sabha and to the President for his assent, there is sufficient time for the management which may not be entirely addicted to honest methods to do things which may not be in the interest of the nation—I use a mild language. This is what ultimately led us to the issue of an Ordinance. We did so in the case of coking coal mines; we did so in the case of copper and we did it in the case of IISCO.

It is not that we in any way lack any respect for Parliament. We do come here we explain everything that we can. If we do not resort to an Ordinance on an occasion like this, I think, we had better give up Ordinance issuing power at all. The most justified occasion on which we can resort to an Ordinance is an occasion of this character. This is the reason why we did not use Section 18 AA. I would assure the hon. Member that

we did consider it and, having considered and examined it from every point of view, we came to a conclusion that that power was not sufficient for enabling us to take over IISCO. Therefore, we resorted to the take-over by means of an Ordinance.

The hon. Member also raised a question about the expansion of Tata Iron & Steel Co. I can only say, at this stage, that the matter is under consideration of the Government. It is perfectly true and recognised as a fact that expansion of our steel production cannot only be by means of building up new plants. It will be a short-sighted policy on our part merely to think of that and not to consider the expansion of the existing steel plants, both in the private and public sectors. We are looking into the matter as to how we can effect expansion in both private and public sector plants and, I hope, within a reasonable time, we should be able to come to a decision on that which, of course, will be brought before the House.

My hon. friend, Mr. Mishra, also raised the question of rise in prices of steel products. I do not want to go into that detail. But I would like to assure him that though the maximum benefit as a result of the rise in prices is going to come to the Hindustan Steel and not to Tata Iron & Steel Co., some benefit is going to come to Tata Iron & Steel Co. and to IISCO also. But that is because we have taken those particular products where the cost of production itself is more than the actual price fixed by the Joint Plan Committee and the Steel Plan Committee. Naturally, that is not being fair to the producer and, therefore, it is that there has been some change of this character.

Finally, one or two points were raised by my hon. friend Mr. Sokhi about Bokaro. It is true there has been delay. We expected that we would be able to bring the first blast furnace on steam during the course of this month. But after very elaborate discussions with the Russian specialists, they advised us that it is better we make certain experiments regarding the working of the coke oven plant on the one hand and the sintering plant and the boiler plant on the other and be satisfied that they are working properly because, if we make a mistake now, we may have to pay heavily afterwards. We are losing money. There is no doubt about it. It is something about which we cannot be happy. But

it is a fact, these are the reasons and, ultimately, we have to take account of the difficulties we have to face in spite of whatever may be the losses that we have to suffer immediately.

**SHRI R. D. BHANDARE** (Bombay Central): What about signing the papers without seeing them? This is what Mr. Sokhi said.

**SHRI S. MOHAN KUMARAMAN-GALAM**: It will not be helpful to go into that. May I ignore that and leave it where it is? I think, it is not a controversy which is worth entering into.

My hon. friend, Mr. Mohanty asked me who is going to take charge of myself. I have no answer; I do not know. I am myself getting desperate about my activities. Probably, it is better he keeps a vigilant eye on the way I do my work. He is right when he says that I gave a certain commitment and I have not fulfilled that commitment. I am acutely conscious of it. I can only say, as a matter of recognition of facts as they are, that I would like to put all the material in regard to the manner in which we are trying to improve the steel plants. I do not want to use hyperbole. I think, any hon. Member who goes down to the Hindustan Steel Plants and sits down and discusses with the General Managers, sits down and discusses with the Board, will appreciate that a very serious and determined effort is being made to improve the position. The fact that we have not been able to make significant changes is there. But, I am sure, if you go down to the Steel Plant, you will appreciate it. It is not true that nothing is being done. It takes time to make an improvement. I think, we will be able to bring about improvement quickly.

Unfortunately, this year, in the first quarter, we suffered very greatly from power cut both in Durgapur and in Rourkela. In Bhilai, absenteeism in the coke oven plant has been very high during the very hot summer months. We hope, Bhilai will improve and Rourkela is also improving. July and August have been substantially better months. Durgapur has its own problems which I did not want to go into now. But there also, we are poised on the eve of a change and I am optimistic even about Durgapur as also about IISCO. Probably, IISCO is at the present moment in the worst position of all.

I would only plead with my hon. friend Mr. Mohanty and other Members of the House that despite the fact that we have still some distance to go, we have put our feet on the right path and we will be able to render account to this House within a year or two in such a way as to satisfy hon. Members that the best is being done in the field of steel.

With these words, I commend this Bill to the house.

**SHRI INDRAJIT GUPTA**: I have not suggested that there should be a clean sweep of all the personnel. My point was, whether the top executives, some of them, should be actually promoted now. They may not be the people who were mainly responsible. For that reason, they are going to be given promotion, from Deputy General Manager to General Manager and so on?

**SHRI S. MOHAN KUMARAMAN-GALAM**: With great respect to my hon. friend, Mr. Indrajit Gupta, the question as to what the decision Government takes in respect of appointments to managerial posts of this character, to debate in detail the rightness or wrongness of such decision, becomes difficult because we bring in the merits of individuals. What I tried to explain to the hon. Member and to the House was the considerations which motivated us to come to a certain conclusion. I would only beg of the hon. Member to give us a chance to see whether what we have done is right or wrong.

**SHRI INDRAJIT GUPTA**: One thing more. I want simply to know whether the head office of IISCO after the take-over will continue to be located as it is at present in the head office of Martin Burn & Co. in Calcutta.

**SHRI S. MOHAN KUMARAMAN-GALAM**: I am afraid, for the time being, we have really no alternative. The reason is that the head office of IISCO occupies a fairly large space. If we are going to quit and we are forced to find some other place, it will take us a little time. It is not easy to find suitable accommodation. At the same time, the hon. Member who is known for his great interest in labour will remember that there are some IISCO employees and Martin Burn & Co. employees

[Shri S. Mohan Kumaramangalam] there. The Martin Burn & Co. employees are extremely unhappy about the prospect of losing the IISCO employees. We have complications of that character also. I can only assure him that though the IISCO head office may remain in the premises of Martin Burn & Co., it will not be tainted by that fact.

MR. DEPUTY-SPEAKER : Dr. Laxminarain Pandeya is not here I shall now put his Resolution to the vote of the House. The question is:

"This House disapproves of the Indian Iron and Steel Company (Taking over of Management) Ordinance, 1972 (Ordinance No. 6 of 1972) promulgated by the president on the 14th July, 1972".

*The motion was negatived.*

MR. DEPUTY-SPEAKER : The question is:

"That the Bill to provide for the taking over of the management of the undertaking of the Indian Iron and Steel Company Limited for a limited period in the public interest and in order to secure the proper management of the undertaking, be taken into consideration."

*The motion was adopted.*

MR. DEPUTY-SPEAKER: Now we take up clause-by-clause consideration. There is no amendment to Clause 2.

The question is:

"That Clause 2 stand part of the Bill."

*The motion was adopted.*

*Clause 2 was added to the Bill.*

**Clause 3—(Management of Undertaking of the Company to vest in Central Government)**

MR. DEPUTY-SPEAKER : There are a number of amendments to Clause 3...

SHRI INDRAJIT GUPTA : In Amendment No. 9, later on I have found—it is a matter of factual correction—that the word 'smelters' might remain.

MR. DEPUTY-SPEAKER : You cannot make any change now, at the last minute.

SHRI INDRAJIT GUPTA : I do not want to move it in its present form...

MR. DEPUTY-SPEAKER : No, please. You can speak on your amendment. You have other amendments also. Are you moving them?

SHRI INDRAJIT GUPTA : I am moving all the amendments—6, 8 and 9.

SHRI R. N. SHARMA (Dhanbad) : I beg to move :

Page 2, line 10,—

*omit "for a period of two years" (2)*

Page 2, line 16,—

*after "refineries," insert "washing plant," (3)*

SHRI INDRAJIT GUPTA : I beg to move :

Page 2, line 10 and 11,—

*omit "and for a period of two years thereafter" (6)*

Page 2, line 16,—

*after "project" insert "washeries," (8)*

Page 2, line 16,—

*omit "smelters, refineries," (9)*

SHRI B. V. NAIK (Kanara) : I beg to move :

Page 2, line 10,—

*after "two" insert "or more" (7)*

SHRI INDRAJIT GUPTA : As far as my amendment No. 6 is concerned, I do not want to elaborate on it now because in the course of the general discussion I have stated my view-point on that.

About my amendment No. 8, 'washeries' should be included here—this is an omission, I believe—because the Indian Iron & Steel Co. has got its own captive mine and they have set up washeries. I do not know why this has been omitted. 'Washeries' should be included.

As I have pointed out in amendment No. 9, I feel that perhaps this wording of the clause was lifted bodily in a hurry by the officials of his Ministry or the Law Ministry from the corresponding Ordinance which was done for Copper Corporation—when the Indian Copper Corporation was taken over. They did not bother to see whether these words 'smelters and refineries' might apply in the case of Indian Iron & Steel. I think, the word 'smelters' might remain because this word has got a different definition; I think, in a steel plant also, the steel melting shop can be called a smelter; therefore, I do not mind if that word remains. But, certainly, there are no 'refineries'; this word has nothing to do with Indian Iron & Steel. Therefore, the word 'refineries' should definitely be omitted.

SHRI B. V. NAIK : I have moved an amendment regarding the point on which the hon. Minister has been good enough to give a clarification. The Indian Iron & Steel Company was producing in the year 1963-64 about one million and 27 thousand tonnes of steel. When you say that you are taking it over for a period of two years, what is the task which the Steel Ministry has taken upon itself to do in those two years? The hon. Minister has said that the time is two years, it is a time-bound one, and that legally there will be difficulties if it is taken over for an unlimited period of time. I would like to know, within the course of two years, what are the tasks which the Steel Ministry has taken upon itself to fulfil. Here a very relevant point comes into operation. According to its rated capacity, at least statistically speaking, the Indian Iron & Steel is still producing about 65 per cent, and if my facts are right, we have quite a few public undertakings where the steel production is about one-third or 35 or 40 per cent. I would also like to know what will be the position in case the Indian Iron and Steel Company management fails to improve itself even under Government's management, now that we have used the ultimate tool that is at our disposal, namely, a sort of nationalisation, a sort of temporary stop-gap nationalisation....

SHRI JYOTIRMOY BOSU : Court of Wards.

SHRI B. V. NAIK : A sort of Court of Wards; it is in respect of children.

Has the Steel Ministry, or for that matter, have we got anything which we are able to implement at the present juncture so that these undertakings that have been taken over will be successful? On the broader question, I would like to ask this. They had taken over coaking gas. Now they have taken over Indian Iron & Steel. It would be better both for the workers and for all the people concerned with our industries if a sort of broad idea regarding what are the ones which we are going to nationalise, whether it will be on the basis...

MR. DEPUTY-SPEAKER : What has that to do with your amendment?

SHRI B. V. NAIK : It has relation with the two-year period. The two-year period was based on the fact that it is going to be temporarily nationalised and there is also going to be a Custodian in this behalf.

I would like to obtain an assurance from the hon. Steel Minister whether this period of two years would be adequate or whether there is any provision in the Act that it could, later on, be extended for a further period, now that we have a substantial period at our disposal. I, therefore, as a sort of enabling provision, had made this amendment, 'two or more years'. My point was whether, in case there were legal difficulties, it would not be prudent at the present juncture itself to ask for a greater length of time in order to show and tell the people that we are able to achieve results at the end of a specified period.

श्री रामनारायण शर्मा (घनबाद) : अध्यक्ष महोदय यह दो साल का समय जो रखा गया है, कम माननीय मंत्री जी ने इस बिल को इम्प्लीमेंट करते हुए यह बताया कि कोक ओवेन में और प्लांट के दूसरे सुधार में लगभग 30 करोड़ खर्च करने जा रहे हैं और इसकी कैपेसिटी को वन मिलियन टन से बढ़ाकर 1.3 मिलियन टन करने में दूसरे साल 70 करोड़ खर्च करेंगे। जो दोनों मिला कर लगभग 100 करोड़ रुपया खर्च करने का इन का एस्टीमेट है, और समय इन्होंने दो वर्ष रखा है। आप जानते हैं उपाध्यक्ष महोदय, कि दो वर्ष का समय सरकार को सूझ करने के लिये बहुत बड़ा समय



## [श्री रामनारायण शर्मा]

होता है। सरकारी मशीनरी जल्दी नहीं चलती। उस का सारा काम इस तरह से मूव करता है।

तो हमें पूरा संदेह है कि सरकार दो वर्ष में 100 करोड़ रुपये खर्च कर सकेगी क्या, और उस में कोई इम्प्रूवमेंट ला सकेगी? इसलिये सरकार को दूसरा नेजिस्मेशन लेकर के आना होगा।

जहा तक दूसरे संशोधन का प्रश्न है जो मैंने इसी क्लार्क में दिया है, अर्थात् संशोधन नम्बर 3, उपाध्यक्ष महोदय इंडियन आयरन स्टील कम्पनी का एक चासनाला वाणिज्य प्लांट है। इस वाणिज्य प्लांट में जीतपुर कोलियारी का भी कोयला धोया जाता है। और चासनाला से भी जो प्रोड्यूस हो रहा है या होगा, उस की भी धुलाई होती है। सारी डेफिनेशन को बताते हुए इन्होंने उस में वाणिज्य प्लांट को नहीं रखा है। इसलिये मैं चाहता हूँ कि उस में वाणिज्य प्लांट को भी जोड़ दिया जाय।

SHRI S. MOHAN KUMARA-MANGALAM : About amendments 2, 6 and 7, I have already made clear the motives that led the Government to fix this period of two years for take-over of management because only if a limited period is fixed under the enactment would the action of the Government be protected by Art 31A and the Government is not liable to pay management compensation. That is the legal advice we have got and we expect that within two years we would be able to make a final decision about what we should do regarding the future of the company.

I think it was Mr. Naik who suggested, "Why not put 'more' after two". But as soon as we insert 'more' after 'two' then it becomes indeterminate and, therefore, it may land us again in troubles... (Interruptions).

SHRI R. N. SHARMA : If it is kept ten years, what harm is there.

SHRI S. MOHAN KUMARA-MANGALAM : We do not claim that we will take as long as ten years. Why should we be pessimistic? We will finish

our work within two years. If we do not finish, then we come back to this Parliament and to hon. Members with whatever proposals we have.

I would only like, before going to the next point, to mention that we have no desire to act as a Court of Wards. That is all dead and gone. Mr. Joytirmoy Bosu lives in the past. So, let him be there. I do not mind...

SHRI JYOTIRMOY BOSU : I have not opened my mouth.

SHRI S. MOHAN KUMARA-MANGALAM : Unfortunately, you opened it even sitting there.

So far as the amendments Nos. 3 and 8 are concerned, which really cover the same thing, I have no objection in accepting amendment No. 8. That is to insert 'washerries' after the word 'projects' which really covers the same area. Although Mr. R. N. Sharma's amendment No. 3 covers the same point, I think the term 'washerries' is a better term than the term 'washing plant'.

Regarding amendment No. 9, I have no objection to accepting it if it only covers the omission of the word 'refineries'; that is to say, the word 'smelter' remains but 'refineries' may be omitted. What my friend, Mr. Indrajit Gupta has pointed out in relation to this amendment is correct.

Therefore, if I may repeat myself, so far as amendments 2, 6 and 7 are concerned, I would request the hon. Members to withdraw their amendments in the light of the explanation I have given. So far as amendment No. 8 is concerned, I accept it and as far as amendment No. 9 is concerned, I accept it subject to the word 'smelters' being retained and only the word 'refineries' being omitted.

MR. DEPUTY-SPEAKER : In view of what the Minister said, Mr. Indrajit Gupta, you may recast your amendment and give it here.

I will put the rest of the amendments, viz., 2, 3, 6 and 7 to vote.

Amendments Nos. 2, 3, 6 and 7 were put and negatived.

MR. DEPUTY-SPEAKER : I will put amendment No. 8. The question is :

Page 2, line 16,—

after "projects" insert "washerries."

(8)

*The motion was adopted.*

MR. DEPUTY-SPEAKER : I will now put amendment No. 9, as modified, by Shri Indrajit Gupta to vote.

The question is :

Page 2, line 16,—

*omit "refineries"[(9)as modified]*

*The motion was adopted.*

MR. DEPUTY-SPEAKER : The question is :

"That clause 3, as amended, stand part of the Bill."

*The motion was adopted.*

*Clause 3, as amended, was added to the Bill.*

*Clause 4 was added to the Bill.*

*Clause 5—(Advisory Board.)*

SHRI INDRAJIT GUPTA : Sir, I beg to move :

Page 3, line 45,—

*add at the end—*

" , provided that at least two members of the Board shall be representatives of workmen employed by the company" (10)

MR. DEPUTY-SPEAKER : Amendment moved :

Page 3, line 45,—

*add at the end—*

" , provided that at least two members of the Board shall be representatives of workmen employed by the company" (10).

SHRI INDRAJIT GUPTA : I heard the reply given by the hon. Minister to this suggestion which I have made in my general observations, but, I am afraid, I am not convinced. He says that while they have every intention and desire to include one or more representatives of labour in the Advisory Board, he does not want to give it a statutory form because it may lead to some problems later on as to whether the Board has been properly or adequately constituted or not. I do not think this is a sufficient explanation for rejecting my amendment. This Advisory Board which is proposed to be set up is not a very small Board. It can have upto 10 members who are all to be appointed by the Central Government. I take it that this Board is not going to be a part of the 8—11 L.S. S/72

normal industrial relations machinery. It is not concerned with settling disputes between the management and the labour. For that purpose, some other machinery will have to be set up. We will see what is done about that.

The Advisory Board, I take it, its main function will be to give advice regarding the actual operation, production and management of the concern and I am strongly of the opinion that in an Advisory Board of this kind, the labour must be directly associated with it and if it is not given the statutory form, then ultimately, it is the labour which will be the main casualty and will be left out. Despite all good intentions, eventually other people and other interests will find priority of representation and it is precisely the workers who will be left out. Therefore, a minimum representation should be put in the Bill according to me and I can assure him—he probably knows also as when he went to Burnpur, he must have heard—that after all it is one of the Unions which in July 1972, before we knew anything about the Government's decision that they were going to take it over, brought out a very detailed and factual bulletin and memorandum which was sent to the Government also in which they have worked out the whole case for a take over of the management and all their criticisms and suggestions have to do with the question of production, not with the question of workers' demands and all that. I am sure if he has seen it, he cannot fail to be impressed by the fact that this Union has made such a serious and sober study of the internal working of this company and it is Unions like this, other Unions also, whose representatives sitting in the Advisory Board, I am sure, can play a very helpful and constructive role in this field and I hope he will try to give up this old out-moded attitude towards workers, especially, when he seeks their co-operation not only in agreeing to a new type of shift work. I hope on that, of course he is there—he must also give them an opportunity and invite their help and co-operation in matters concerning the day-to-day management and production. I feel, Sir, I need not labour this point. When an Advisory Board with upto ten members can be constituted, according to the Bill, he should provide in it only expressly that a minimum representation for labour will be there.

He said, it becomes difficult to decide who are the workers representatives.

[Shri Indrajit Gupta]

This is no argument because you can do it by ballot or some other method. It is done in other cases. It is a question of procedure to be decided later on. Therefore, there is no excuse for eliminating them from the advisory board. I agree, he is not directly eliminating them, but I think the implication will be there, if it is not expressly provided and therefore I am pressing my amendment.

**SHRI S. MOHAN KUMARAMANGALAM :** The difficulty arises in the sense that if we do not include the representatives of the workers the constitution of the Board may be challenged as illegal and this is a point to which I replied in the general discussion of the Bill. It is not that we do not want to include workers' representative. We do want it. We do not want to make it mandatory. We do not want to make it a statutory mandate, because even if we are unable to do it as we have been unable to do it in the case of HSL, it would then be open to anybody to go to a court and challenge the constitution of the Board as illegal. That is why I accept the spirit of the amendment but unfortunately I cannot accept it in fact.

**SHRI INDRAJIT GUPTA :** Can you give assurance that organised labour will be taken in on the advisory board?

**SHRI S. MOHAN KUMARAMANGALAM :** I already gave one of the assurances that we do intend to include representatives of the workers on the Board; I had explained it already; I do not want to repeat for a third time why I cannot accept his amendment.

**MR. DEPUTY-SPEAKER :** I will put his amendment to the vote of the House.

*Amendment No. 10 was put and negatived.*

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

"That Clause 5 stand part of the Bill."

*The motion was adopted.*

*Clause 5 was added to the Bill.*

*Clauses 6 to 13 were added to the Bill.*

**Clause 14— (Contracts in bad faith may be cancelled or varied.)**

**SHRI INDRAJIT GUPTA :** I beg to move amendment No. 11 for Clause 14. I beg to move :

Page 6, line 20,—

*omit* "has been entered into in bad faith, and" (11)

This clause reads as follows :

If the Central Government is satisfied, after such enquiry as it may think fit, that any contract or agreement entered into at any time within three years immediately preceding the appointed day between the company or the managing agents of the company and any other person in so far as such contract or agreement relates to the undertaking of the company, has been entered into in bad faith, and is detrimental to the interests of the undertaking of the company, it may make an order cancelling or varying... such contract...

The amendment that I have moved is : *Omit* "has been entered into in bad faith and". The reason for my amendment in this. At present every contract or agreement has to satisfy two conditions, before that can be cancelled. One is, that it should be detrimental to the interest of the company. The second is, it should be entered into in 'bad faith'. It is only under such cases that such agreement or contract could become cancellable. I suggest that this is a very dangerous clause and there is a loophole in it. This should be plugged. I will give one instance. I do not know why Martin Burn is being referred to as managing agents because contracts now were not entered into with Martin Burn as managing agents but Martin Burn as Secretaries. Since 1970 they have not been managing agents. Even after the managing agency was abolished, this Martin Burn, as secretaries have taken in 1970-71, Rs. 37.71 lakhs and in 1971-72 Rs. 38.57 lakhs from the IISCO for various charges. Secretary's remuneration is the biggest item. Rs. 1½ lakhs is taken on that. And then comes Rs. 4½ lakhs for Cash Department's service charges. Yesterday the Minister rightly said, this has been done, as if IISCO cannot have its own cash department service. There is another item called rent on which they take Rs. 7.88 lakhs for rent of floor space of the IISCO office inside Martin Burn building. I am afraid Mr. Mohan Kumaramangalam will have to pay this because it is going to remain in this building.

Then for the car parking charges, they charge Rs. 30,000 per annum.

Joint service expenses of offices of Calcutta, London, Kanpur, Bombay, Delhi and Patna comes to Rs. 37 to Rs. 38 lakhs. The hon. Minister will agree that this type of agreement is detrimental to the interest of IISCO. Neither can he prove nor can I prove that this is something entered into in bad faith. According to this provision it has to be proved that they were entered into in bad faith. If it is challenged in a court of law on this ground, what will be the position? Therefore these words should be omitted.

**SHRI S. MOHAN KUMARA-MANGALAM :** There is lot of point in what the hon. Member has said. It is possible that if the clause is left in the same form in which it is at present in the Bill it will in fact become nugatory. It is difficult for anybody to prove that the contract has been both entered into in bad faith and is detrimental. This is a conjunctive. But the difficulty about the amendment is that it seeks to take out something which also should be there. If the hon. Member is prepared to accept my suggestion, I think, that perhaps would be the best.

Instead of the word 'and' let him put in the word 'or' because that gives it a wider connotation. That is, if it is entered into solely in bad faith it can be invalidated; if it is entered into solely so as to be detrimental to the interest to the company, it can be invalidated. There is no possibility of Government misusing this power and they can be relied upon to look into the thing carefully and come to right conclusion. Instead of 'and' if he agrees to have 'or' we may re-shape the amendment and it may be accepted.

**SHRI INDRAJIT GUPTA :** I agree to that.

**MR. DEPUTY-SPEAKER :** I like the spirit of 'give and take' but it would have been much better if the Member and the Minister had thrashed it out before coming to the House, instead of putting us in this sort of confusion. Anyway, since they have all agreed, I think we shall allow Shri Indrajit Gupta to make an alteration in his amendment to delete the word 'and' and to put in the word 'or'.

The modified amendment would read as follows :

Page 6, line 20, for 'and' substitute 'or'.

I shall put this modified amendment now to vote.

The question is :

Page 6, line 20, for 'and' substitute 'or' [(11) as modified.]

*The motion was adopted.*

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

"That clause 14, as amended, stand part of the Bill".

*The motion was adopted.*

*Clause 14, as amended, was added to the Bill.*

*Clauses 15 to 17 were added to the Bill.*

*Clause 1 and the Enacting Formula were added to the Bill.*

**MR. DEPUTY-SPEAKER :** There is an amendment to the Title by Shri R. N. Sharma. Is he moving it?

**SHRI R. N. SHARMA :** No, Sir.

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

"That the Title stand part of the Bill".

*The motion was adopted.*

*The Title was added to the Bill.*

**SHRI S. MOHAN KUMARA-MANGALAM :** I beg to move :

"That the Bill, as amended, be passed".

**MR. DEPUTY-SPEAKER :** Motion moved :

"That the Bill, as amended, be passed".

**SHRI JYOTIRMOY BOSU (Diamond Harbour) :** Now, we see that the company goes to the court of wards. We usually knew that court of wards was meant for those who had defaulted in revenue. I do not know what sort of revenue this company had defaulted in. I shall go into a little detail about it later on. The whole thing is very foggy and it is not clear at all. There is a lot of whisper in the air, and I do not really understand what this Government will really do in such a big steel plant in two years. We want Shri S. Mohan

[Shri Jyotirmoy Bosu]

Kumaramangalam to spell out quite clearly and categorically what he proposes to do in the steel plant.

I cannot understand why Government have not nationalised all the steel plants. They have an Industrial Policy Resolution which they never try in the open because it is convenient for them and they have taken only some pious resolution, and, therefore, they go in for this hanky-panky business. I had written to the Prime Minister two years ago urging her to nationalise both the steel plants, and her reply was that Government had no such intention to nationalise the steel plants. This is all very sudden thought. The hon. Minister, it seems, has a very special love for the Tatas. Mr. J. R. D. Tata has become their friend, philosopher and guide, as we see from the memorandum and as we see from the latest information that has come out in the *Economic Times* which says :

"The expansion of TISCO from the present rated capacity of 2 million tonnes to 4 million tonnes (100 per cent increase) has been agreed upon by the Steel Minister. It is understood that it has been agreed that only the expanded part of TISCO, not the whole of TISCO will be in the joint sector."

So, they have been very successfully able to hoodwink Government and get permission to raise their production by 2 million tonnes, which is hundred per cent of their present capacity, under the pretext of this new hoax namely the joint sector.

What is happening to the Industrial Policy Resolution? They are not only not taking over the steel plants, but they are also expanding the capacity of the private sector plant by hundred per cent under the garb of the joint sector. There was a lot of criticism some time ago about the mini-steel plants, but now they are expanding the capacity of a private sector steel plant by hundred per cent under the garb of joint sector. The quotation which I have given from the *Economic Times* must be an eye-opener. I say that I am unable to understand what Shri S. Mohan Kumaramangalam had stated yesterday, but I would not go into the details, because the time at my disposal is very short. I only want to tell him that the Hazara Report on the corporate sector says that the Tatas

have less than 10 per cent of the equity holdings in TISCO, and the LIC, governmental financing institutions and the World Bank have very major holdings; about this, of course, Dr. Hazare is very silent.

About the operation of the sector which the hon. Minister directly controls, let me give the figures from the Report of the Ministry of Steel and Mines. The output of HSL in 1970-71 was Rs. 426.55 lakhs, and in 1971-72, it was Rs. 378.30 lakhs. The total investment in HSL till 31st March, 1971 is Rs. 1025.98 crores. What are the working results? The working results for the various units during 1969-70 and 1970-71 were as under : For Durgapur steel Plant, it was —20.401 crores of rupees; for the Fertiliser Plant at Rourkela, it was —2.596 crores of rupees; I would not go into all the details. But the total is —5.406 crores of rupees. That is the wonderful performance. I say, Doctor, heal thyself. If Government are serious about their business, then they should nationalise all the steel plants in the country which are in the private sector. But they are not anxious to do that.

Now, I come to the production of steel and the brilliant performance of Shri S. Mohan Kumaramangalam who is trying to find fault with others. In the case of Durgapur, it was 1100,000 tonnes in 1965-66, but now it has gone down to 700,000 tonnes. In the case of Rourkela it has come down from 1065,000 tonnes to 823,000 tonnes, and in the case of TISCO, it has come down from 2001,000 tonnes to 1079,000 tonnes, and in the case of IISCO, it has come down from 970,000 tonnes to 617,000 tonnes.

Now, I come to the production of saleable steel, by the main producers. In the case of Durgapur, while it was 684,000 tonnes in 1965-66 it came down to 432,000 tonnes in 1971-72, while in the case of Rourkela, it came down from 782,000 tonnes to 598,000 tonnes, and in the case of TISCO, it has come down from 1,568,000 tonnes to 1,386,000 tonnes.

This has been the performance of the steel plants.

**MR. DEPUTY-SPEAKER :** The hon. Member is talking about the performance of the steel Ministry. But what about the Bill? What has he to say on the Bill?

SHRI JYOTIRMOY BOSU : I am talking about the Bill. My entire purpose in quoting these figures is to show that the purpose of Government in bringing forward this measure is not to really better the economic condition of the country but this step is being taken with a particular motive. I am coming to that presently. That is why I have quoted these figures. This is nothing but a black feather on his *topi*.

I now come to the observations of the Committee on Public Undertakings about Shri S. Mohan Kumaramangalam's Ministry. This is a wonderful piece of chit. The committee say :

"The Committee are not satisfied with the reasons advanced for the abnormally low production."

This is what they say at page 27. Again, at page 30, they say :

"The Committee regret to note that even after nine years of the commissioning of the wheel and axle plant, the management have not been able to produce the steel ingots of required sizes for the wheel-making."

SHRI VASANT SATHE : How long could a Member go on being irrelevant?

SHRI JYOTIRMOY BOSU : Oh Christ Almighty, why don't you keep your mouth shut?

SHRI S. MOHAN KUMARAMANGALAM : Why can he not behave properly in the House?

SHRI JYOTIRMOY BOSU : Let him better set an example.

SHRI S. MOHAN KUMARAMANGALAM : I must protest on behalf of the other people here that he talks so rudely. We are also trying to observe certain ...

SHRI JYOTIRMOY BOSU : I am not yielding, Sir.

MR. DEPUTY-SPEAKER : The hon. Member should be very brief, because we have to take up some other discussion at 3 p.m.

SHRI JYOTIRMOY BOSU : Then, the Committee on Public Undertakings say :

"The Committee regret to note that the HSL."

MR. DEPUTY-SPEAKER : I must say that this is an arraignment against the performance of the Steel Ministry, but it has very little connection with the Bill.

SHRI JYOTIRMOY BOSU : I am pointing out all this because they are trying to find fault with others. We are for nationalisation of the entire steel industry. But why do this kind of thing under the pretext of inefficient management...

MR. DEPUTY-SPEAKER : He may reserve all this for some other occasion.

SHRI JYOTIRMOY BOSU : Then, the Committee on Public Undertakings have said :

"The Committee regret to note that the HSL has suffered a cumulative loss of Rs. 172.83 crores by the end of March, 1970."

In the last page of their report, the Committee say :

"The examination of HSL has, however, revealed serious deficiencies in the working of the undertaking which are summarised as follows : Low production, high cost of productivity, high rate of consumption of raw material, over-staffing, low productivity, heavy capital expenditure, heavy recurring loss."

SHRI VASANT SATHE : He is in fact supporting the arguments of Martin Burn.

SHRI JYOTIRMOY BOSU : If this Government mean business, then they should nationalise all the steel plants and not go on further with this sort of thing and take the time of this House unnecessarily.

15 hrs.

SHRI S. MOHAN KUMARAMANGALAM : I have no doubt when Shri Jyotirmoy Bosu returns to Calcutta, he will be welcomed with garlands by Sir Biren Mukerjee because he is the only person who has spoken in this manner during this entire debate. It might also be useful for him to remember... (*Interruptions.*) We listened to him patiently; he should also listen patiently when I reply; I know he cannot succeed, but he should make an attempt.

**SHRI JYOTIRMOY BOSU :** This is your arrogance.

**SHRI S. MOHAN KUMARAMAN-GALAM :** I think arrogance is a boot that fits another foot, not mine.

**SHRI JYOTIRMOY BOSU :** You are too big for your foot.

**SHRI S. MOHAN KUMARAMAN-GALAM :** If we look at the performance of the steel plants, Rourkela, Bhilai and Durgapur, I am sure hon. members will see from the very figures which the hon. member quoted that they carry in this a tale. The profit of Rourkela in 1969-70 was Rs. 7.8 crores and in 1970-71 Rs. 10 crores; in Bhilai the profit was Rs. 3 crores and Rs. 11 crores for these two years: There is the same management, as it were, for all the three steel plants, but in Durgapur, we had a loss of Rs. 15 crores in 1969-70 and Rs. 20 crores in 1970-71. I do not say we have not managerial weaknesses; we have many. I do not say that we do pay sufficient attention to maintenance; we do not. I do not say many improvements cannot be brought about; they can. But Shri Bosu should sometimes look into the mirror and see why it is that in Durgapur the position is different compared to the other two. The reason is that Shri Bosu and his friends are so non-co-operative there.

**SHRI JYOTIRMOY BOSU :** It is because of the wrong attitude adopted.

**SHRI S. MOHAN KUMARAMAN-GALAM :** He may not like to hear the truth. But truth is truth and will have to be told, even if he does not like to hear it. That is all I want to say in reply.

I know that hon. members and the House as a whole have warmly welcomed this Bill. I have explained all the points in detail. I do not want to repeat myself and say why we have taken over the management. I am quite confident it will improve the position. I am quite confident we will improve the position...

**SHRI JYOTIRMOY BOSU :** We say: nationalise.

**SHRI S. MOHAN KUMARAMAN-GALAM :** I am quite sure that we will do far more for IISO and far more for the people of Bengal than Shri Bosu and his friends have done for long.

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

"That the Bill, as amended, be passed".

*The motion was adopted.*

15.03 hrs.

**DISCUSSION RE. POWER CRISIS IN DIFFERENT PARTS OF THE COUNTRY**

**SHRI SAMAR GUHA (Contai) :** Mr. Deputy-Speaker, I would have called the present power crisis in the country as scandalous, but I prefer to call it extremely alarming in view of its effect on the interest of the development of our national economy. The hon. Minister has not assured us that it will be possible for Government to surmount the present crisis or even lessen its impact; on the contrary, he has sounded a note of caution, a warning, that 1973 and 1974 may not also be years of satisfaction but rather of accentuation of the power crisis in our country.

Almost every day whenever we open any newspaper in the morning, we find the words 'power crisis', 'power famine', 'power cut down' and such like words, regarding the power crisis.

Sir, strangely, this phenomenon of power crisis or power famine, as you may call it, is not a sudden growth. It is not like flood or earthquake. But it is almost a continuous process for the last few years. If you go through the papers, why papers, in almost every corner of the country, be it Gujarat, be it Ahmedabad, be it Calcutta or Har-yana, from every corner, you will find complaints coming in—there is a report of power shedding, shortfall of power or power cut, and so on and so forth. Therefore, this crisis is not of the nature of a sudden growth but it is a continuous one, and this continuity follows a long and faulty planning in regard to the power requirements of our country.

Today, I wanted to use very strong words against the Minister of Power; I was even in a mood to ask him to resign, but I want to desist from doing so. I want to desist from doing so, because on going through all the aspects of the problem, I find that he