

**SHRI DINEN BHATTACHARYYA** (Serampore) : What harm is there if you erect a stage there ?

**SHRI S. M. BANERJEE** : You can have a theatre where only plays in respect of the freedom fighters and political plays are staged.

**PROF. S. NURUL HASAN** : As regards the protection of historical objects, I am in full agreement with my hon. friend Shri Dhandapani. As the House would recall, only this morning, I have introduced a Bill with the leave of the House which seeks precisely to bring about this protection.

He referred to the imports of objects. The rules of the Government are very firm. Anything which is available in the country cannot be imported from outside. Only those things which are not available in the country and which are nevertheless considered to be essential for the country are permitted to be imported, and my hon. friend can rest assured that nothing which is available in the country can be imported. I would like to go into the question of cellulose acetate myself. As has been pointed out, it was not being manufactured in India until sometime ago when I was connected a little more directly with education. But if it is now available, quite obviously we will use it, which has been produced locally, because the Estimates Committee's wishes have to be fulfilled.

Regarding the reference to the Saraswati Mahal Library, I am in entire agreement with my hon. friend that it is a national treasure and even though there may be a difference of opinion between the State Government and the Union Government as to what is the best way of organising the governing body, the Central Government should give financial assistance immediately so that the preservation of the manuscripts is not delayed. The other discussions can continue.

The point that I have mentioned about historical objects in general also applies to articles like sculptures and other objects d'art.

With these few words, I move that the Bill be taken into consideration.

**MR. CHAIRMAN** : The question is :

"That the Bill further to amend the Victoria Memorial Act, 1903, as passed by Rajya Sabha, be taken into consideration."

*The motion was adopted.*

**MR. CHAIRMAN** : There are no amendments. The question is :

"That clause 2 stand part of the Bill,"

*The motion was adopted.*

*Clause 2 was added to the Bill.*

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

**PROF. S. NURUL HASAN** : I move :

"That the Bill be passed.

**MR. CHAIRMAN** : The question is :

"That the Bill be passed."

*The motion was adopted.*

16.40 hrs.

STATUTORY RESOLUTION RE.  
DISAPPROVAL OF INDIAN IRON  
AND STEEL COMPANY  
(TAKING OVER OF MANAGE-  
MENT) ORDINANCE

&

INDIAN IRON AND STEEL  
COMPANY (TAKING OVER  
OF MANAGEMENT) BILL

डा० लक्ष्मीनारायण यादव (मंसौर) :  
सभापति जी, मैं प्रस्ताव करता हूँ "कि यह  
सभा राष्ट्रपति द्वारा 14 जुलाई, 1972 को  
प्रस्तावित इंडियन आयरन एंड स्टील कंपनी  
(प्रबन्ध ग्रहण) अध्यादेश 1972, (1972 का  
अध्यादेश संख्या 6) कानिस्नुमोदन करती है।"

मंत्री महोदय ने अध्यादेश के कारणों का विवरण देते हुए इस कम्पनी के बारे में जो इस काल प्रबन्ध अधिग्रहण किया गया है इसका उल्लेख किया है और सदस्यों को भी याद होगा कि मंत्री जी ने इस कम्पनी के बारे में इसके प्रबन्ध अधिग्रहण के बहुत पहले संकेत दिया था कि इस कम्पनी को कभी भी सरकार अपने हाथ में ले सकती है, इसका काम ठीक नहीं है। इसी को दृष्टिगत रखते हुए यह कदम उठाया है। मैं समझता हूँ कि जो हमारे देश के मूलभूत उद्योग हैं उनको सरकार चलाए, सरकार देश की आवश्यकताओं की पूर्ति के लिए उनका प्रबन्ध अपने हाथ में ले, इससे कोई असहमति नहीं। लेकिन जिस प्रकार से अध्यादेश द्वारा इसका प्रबन्ध हाथ में लिया गया है, उसके बारे में कुछ बातें विचारणीय हो सकती हैं। सरकार को मालूम था कि कम्पनी लगातार घाटे में चल रही है और फिर सरकार को यह भी मालूम था कि सरकार स्वयं भी मैजोरिटी शेयरजं इसमें रखनी है, मेरी जानकारी के अनुसार 49.35 प्रतिशत शेयरजं, एल. आई. सी. के हैं और स्टॉक के ऊपर जो लोन दे रखा है वह भी 4.65 प्रतिशत है। इनने बड़े मैजोरिटी शेयर होते हुए गवर्नमेंट तो एक प्रकार से उसमें स्वयं भागीदार है और जब सरकार स्वयं भागीदार है तो मेरी समझ में नहीं आता कि लगातार वर्षों से जिसमें घाटा चल रहा है, उस घाटे को सहन करने रहने का क्या कारण था? प्रबन्ध अधिग्रहण के लिए उस समय सामने आना जबकि सभा की बैठक न हो रही हो, ठीक नहीं है। इस प्रकार का विधेयक पहले भी यहां लाया जा सकता था जब अप्रैल मई में इस प्रकार का संकेत दिया गया था कि इसका प्रबन्ध ठीक नहीं है। उसी समय सरकार इसका प्रबन्ध अपने हाथ में लेने के लिए विधेयक ला सकती थी। लेकिन सरकार ने ऐसा नहीं किया।

दूसरी बात यह है कि सरकार दो वर्ष के लिये प्रबन्ध हाथ में ले रही हैं। दो वर्ष में सरकार ने जो अनुमान किया है उसके अनुसार मेंटेनेंस के ऊपर, सारी मशीनरी और अन्य उपकरण इत्यादि ठीक करने के ऊपर लगभग तीस करोड़ रुपए सरकार का खर्चा आएगा। इसके बाद क्या सरकार वापिस लौटा देना चाहती है और नहीं लौटाना चाहती तो सरकार को कहना चाहिए कि प्रबन्ध वापिस नहीं किया जाएगा। कोकिंग कोल माइज के बारे में भी सरकार ने प्रबन्ध अपने हाथ में लिया था और डेढ़ करोड़ का घाटा भुगतने के बाद दूसरा प्रबन्ध किया। सरकार को पहले ही यह समझ लेना चाहिए कि यदि कोई कारखाना घाटे में चले तो हम बजाय इसके कि भारी मात्रा में मुआवजा देने की बात करें और भारी मात्रा में घाटा सहन करने के बाद किसी प्रबन्ध को दूसरे हाथों में सौंपने की बात करें, तो पहले ही उसका प्रबन्ध हाथ में लेना उचित है या उस पर पूर्ण विचार के बाद कोई कदम उठाएँ। मंत्री जी इसको स्पष्ट करें। उद्देश्य और कारणों के विवरण में मंत्री महोदय ने कहा है:

"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."

What are the reasons? That may be clarified.

मैं मंत्री महोदय से एक और बात कहना चाहता हूँ। जैसा कि उन्होंने आबजैक्ट्स एंड रीजंस में कहा है:

"Government were viewing with great concern the progressive decline in the production of the steel plant of the Indian Iron and Steel Co. Ltd., and the deterioration in the condition of the plant, resulting from lack of adequate attention to maintenance."

यह किसका उत्तरदायित्व था ? एक ओर सरकार कहती है कि हम स्टील का उत्पादन बढ़ाना चाहते हैं, मिनी स्टील प्लांटस लगाना चाहते हैं, साउथ में तीन कारखाने स्थापित करना चाहते हैं और स्टील का उत्पादन लगातार बढ़ा रहे हैं लेकिन जो आंकड़े उपलब्ध हैं, वे हैं सरकार के सामने लाना चाहता हूँ। हमारा स्टील का उत्पादन 1967-68 में 4566 हजार टन था। 1971-72 में 4543 हजार टन रह गया। ऐसा क्यों हुआ ? सरकार के अपने भी कारवाने हैं। वहाँ भी सरकार स्टील का उत्पादन कर रही है। लेकिन घाटा लगातार हो रहा है। 1968-69 के आंकड़े आप लें। तब भी घाटा था और 1971-72 में भी जो प्राविजनल आंकड़ा सरकार ने दिया है, उसके अनुसार भी केवल 4777 हजार टन उत्पादन होगा। यह रिपोर्ट आफ दी मिनिस्ट्री आफ स्टील एंड माइज, डिपार्टमेंट आफ स्टील एंड माइज 1972 के आधार पर मैं कह रहा हूँ। मैं जानना चाहता हूँ कि क्या इसके द्वारा आप इतना उत्पादन बढ़ा पायेंगे क्योंकि आपके जो दूसरे कारखाने हैं, उनमें उत्पादन भी ठीक नहीं हो रहा है। हिन्दुस्तान स्टील में एक अरब अठार करोड़ का घाटा है। दुर्गापुर का क्या हाल है। वहाँ क्यों उत्पादन नहीं बढ़ रहा है ? वहाँ का उत्पादन ठीक करने के लिए आप क्या करने जा रहे हैं वहाँ क्यों घाटा है ? 1971-72 के जो आंकड़े हैं उनके अनुसार 5.2 मिलियन टन आपकी रिक्वायरमेंट है लेकिन उत्पादन 3.2 मिलियन टन के आसपास है। इतनी कमी है। इसके बाद भी इन सभी बातों को सुधारने के बजाय केवल इस बात को कह कर कि वहाँ के कारखाने के उत्पादन में गिरावट आई थी और मजदूर बहुत गड़बड़ कर रहे थे, मैनेजमेंट का बड़ा कुलदय था, कारखाना बन्द होने की स्थिति में आ गया था इसलिए हमने यह कारखाना अपने हाथ में लिया काम नहीं चल सकता है।

एक बात और कही कि वहाँ पर एक और स्टील कंपनी थी, उसको इसके साथ एसोसिएट कर दिया गया 1965-66 में, उसकी एसोसिएशन के बाद ही इस में निरन्तर घाटा पैदा होता रहा। उसके पहले तक यह कंपनी बहुत अच्छी चलती रही। लगातार यह प्रोफ़िट करती रही। जब सरकार को सारी स्थिति मालूम थी, उसको मिलाने के बाद यदि किसी प्रकार का घाटा यहाँ पर पैदा हुआ तो सरकार को उसी समय इसको ठीक करता चाहिए था। इस स्थिति में आ कर आज आप उसको कर रहे हैं। मैं फिर जानना चाहता हूँ कि हमारे जितने स्टील प्लांट है उनकी कैपेसिटी का कितने प्रतिशत आज उत्पादन हो रहा है ? मेरी जानकारी के अनुसार 65 से 70 प्रतिशत रेटेड कैपेसिटी का उत्पादन हो रहा है। 70 प्रतिशत से अधिक उत्पादन पर आप नहीं गए हैं। आखिर आप यह जो निर्धारण करते हैं कि इतना उत्पादन होना चाहिए और हम इतना उत्पादन कर पाएँगे तो तो फिर कौन से ऐसे कारण हैं कि जिन की बजह से जो रेटेड कैपेसिटी है उतना भी उत्पादन आप नहीं कर पा रहे हैं ? आपके अपने कारखानों में भी जितना उत्पादन होना चाहिए उतना हुआ नहीं है। प्राज देश के अन्दर स्टील की कितनी मांग है ? मगर वह चाहे हिन्दुस्तान स्टील हो, चाहे टाटा स्टील हो, चाहे इण्डियन स्टील हो इनका उत्पादन लगातार जिस प्रकार से होना चाहिए वह नहीं हुआ। एक तरफ तो स्टील की डिमांड बढ़ती गई और दूसरी तरफ सरकार ने उपभोक्ता की आवश्यकताओं या देश के उन लोगों की आवश्यकताओं को जो स्टील अपने काम में लाते हैं, ठीक से समझा नहीं और लगातार भावों में वृद्धि की है। सस्ता स्टील घोषणा मात्र रह गई। सन 1964 में लगभग 59 रुपया प्रति टन एवरेज भाव में वृद्धि हुई है। उसके बाद 71 में फिर वृद्धि की जो लगभग 75 रुपए टन के हिसाब से थी। 72 में जो 22 जुलाई को

[श्री० लक्ष्मी नारायण पांडेय]

को घोषणा की है उस अनुसार 50 से लेकर 85 रुपए प्रति टन तक भावों में वृद्धि की है। भावों में वृद्धि सन 1964, 1969, 1971 और 1972 में लगातार चार बार हुई है और दूसरी तरफ सरकार यह भी कहती है कि हम सस्ता स्टील लाना चाहते हैं। सरकार ने पार्शल कंट्रोल भी इम्पोज किया लेकिन कोई लाभ नहीं हुआ। इसका परिणाम यह हुआ कि हमारे दैनिक उपयोग में आने वाली वस्तुएं फिर चाहे वे कृषि के उपयोग में आने वाली मशीनें हो, ज्यूट मशीनरी हो या टैक्सटाइल मशीनरी हो या कैमिकल इन्वियमेंट हो, इन सब के दाम बढ़ गए। टैक्सटाइल मशीनरी की कीमत में लगभग दो प्रतिशत की वृद्धि हुई है, ज्यूट की मशीनरी में लगभग 11 प्रतिशत की शक्कर की मशीनरी से 1 प्रतिशत की, और जो कैमिकल इन्वियमेंट हैं उनमें लगभग 5 प्रतिशत की वृद्धि हुई है। स्टील के भावों में जो वृद्धि हुई है इसका एक छोटा नमूना देखना चाहे तो माधारण लोहे के बने हुए ताले या रेजर ब्लेड या नट बोल्ट आदि की कीमतों में लगातार वृद्धि हो रही है। सरकार की जो स्टील सम्बन्धी नीति है इसमें आमूल चूल परिवर्तन आवश्यक है और यदि ऐसा आप नहीं कर सकते तो केवल प्रबन्ध अधिग्रहण करें और उसमें भी करोड़ों रुपया खर्च करें तथा करोड़ों खर्च करने के बाद भी अनिश्चित स्थिति में रहे तो इससे कोई लाभ नहीं है। आप हमें अपनी निश्चित स्थिति बतायें !।

आपकी स्टील पालिसी है क्या ? आप दक्षिण भारत में जो तीन कारखाने बनाने वाले हैं मैंने पत्रों में पढ़ा वे अगले तीन साल में भी कोई उत्पादन प्रारम्भ नहीं कर सकेंगे। इस प्रकार की शंकाएँ व्यक्त की गई हैं। सरकार आंकड़े बनाती है कि हम अगली योजना में इतने लाख टन का उत्पादन कर पायेंगे और हमारी आवश्यकता होगी लेकिन उत्पादन जिस पर निर्धारित

करते हैं, वह क्षमता हमारी ठीक नहीं है। इस प्रकार आपके आंकड़े गलत हो जाते हैं। यह हमारी दोषपूर्ण स्टील सम्बन्धी नीति का परिणाम है।

एक उदाहरण आप लें। हमारे कुछ पड़ोसी देश हैं। एक पड़ोसी देश है जापान। पिछले दस साल में स्टील उत्पादन में वहाँ दो सौ प्रतिशत की वृद्धि हुई है। जर्मनी में भी लगभग चालीस प्रतिशत स्टील के उत्पादन में वृद्धि हुई। फ्रांस ने बीस प्रतिशत की वृद्धि की है। लेकिन यहाँ लगातार गिरावट आई है। वे जो छोटे देश हैं उनके अन्दर निरंतर वृद्धि हुई और हमारे यहाँ गिरावट आई और जिस जापान को हम कच्चा लोहा देते हैं वह दो सौ प्रतिशत अपने यहाँ उत्पादन में वृद्धि करता है, और हमारे यहाँ गिरावट आती है तो इन सब स्थितियों को देखते हुए मैं समझता हूँ कि सरकार की जो अपनी नीति है स्टील के बारे में वह नीति ठीक नहीं है।

इन सब परिस्थितियों को देखते हुए मैं सरकार से निवेदन करना चाहूँगा कि आपने प्रबन्ध लिया है, 'टिरको' से मि० खान को बुलाया है और 'इस्को' को ठीक करना चाहते हैं, तो वह किस प्रकार से ठीक होगा ? हो सकता है इसके सुधारने में ही दो साल का समय लग जाय और दो साल के बाद जो टैकिंग-ओवर आफ दी मैनेजमेंट है, उसको वापस करने की बात करने लगे। इसलिए मैं कहना चाहता हूँ कि हमारे जो दूसरे स्टील प्लांट्स हैं—रुकेला, दुर्गापुर, भिलाई, जिनमें घाटा जा रहा है, वहाँ का प्रबन्ध ठीक नहीं है, उत्पादन घट रहा है, इनके बारे में भी साथ साथ विचार करें, तभी इस कम्पनी का प्रबन्ध अधिग्रहण ठीक और अधिकारपूर्ण कहा जा सकेगा। ऐसे मूलभूत उद्योग जो देश की रीढ़ हो सकते हैं, उन्नति का आधार बन सकते हैं, मैं इस बात से असहमत नहीं कि सरकार ऐसे उद्योगों को न बचाये,

सरकार उनको भी बलाए, लेकिन जिस प्रकार की पद्धति आप ने अपनाई है, ऐसी कम्पनियों को हाथ में लेने की बह ठीक नहीं है। जैसे कोर्किंग कॉल माइन्ज का मामला है, कापर कार-पोरेशन का मामला है, यह जो आप अचूरी पद्धति अपनाते हैं, यह ठीक नहीं है जनता के मन में इससे शंकायें पैदा होती हैं एक कदम आगे बढ़ाते हैं तो फिर एक कदम पीछे हटाने की बात करते हैं—इससे भ्रम पैदा होता है। सरकार को ठीक स्थिति में आना चाहिए और अपनी पालिसी के बारे में जनता को अवगत करना चाहिए कि स्टील के बारे में उसकी पालिसी क्या होगी, किस प्रकार से आप जनता को सस्ता स्टील प्रदान कर सकेंगे और किस प्रकार से उत्पादन बढ़ाने की योजना आप बनायेंगे ताकि उत्पादन बढ़े और देश की आवश्यकता की पूर्ति हो सके।

इन शब्दों के साथ जिन कारणों को लेकर मैंने यह चर्चा उठाई है, उन कारणों के आधार पर मैं इस आर्डिनेन्स का निरनुमोदन करता हूँ।

MR. CHAIRMAN : Resolution moved :

"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 MINISTER OF STEEL AND MINES (SHRI S. MOHAN KUMAR-MANGALAM) : Sir, I beg to move :

"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."

Before making my submissions to this House, may I first of all thank Dr. Pandeya for the support that he has given to the

government for its decision to take over the Indian Iron and Steel Company? I think I must have misread the Order Paper because the speech seems to be approval of the measure and disapproval only so far as the speed of take over is concerned. He thought we should have done it earlier; may be, he is right and I am wrong. But I assure him I am grateful for all the approval he has given and, so far as the criticisms are concerned, I will meet them in the course of my submissions.

Hon. Members know that Indian Iron and Steel Company, along with Tata Iron and Steel Company, were the two companies producing steel even in pre-war days. The rated capacity of Indian Iron was brought up to one million tonnes after expansion in 1953 and 1955. Indian Iron is a company which has a total subscribed equity capital of Rs. 24.88 crores. It has also got preference capital; but I need not go into that because that is comparatively much less. But, out of this subscribed equity capital of Rs. 24.88 crores, somewhere in the region of 49.34 per cent is held either by the public trusts, which is 13.50 per cent, or the Life Insurance Corporation, Unit Trust or the general insurance companies. So, at the time when we passed the Ordinance for the take over of Iron & Steel, really speaking, virtually 50 per cent of the shares were held by public financial institutions and were under the control of the government. So, naturally, hon. Members will appreciate that government has taken a very active interest in the working of the company for quite some time, particularly in the very recent past. We were anxious to see that it should operate properly, and it is really from the point of view of its proper operation that we have taken this decision, which I now put before the House for approval, and also for the adoption of the Bill that is now before the House for discussion.

The position, so far as Indian is concerned, is that from 1963-64 onwards there has been, in a sense a steady deterioration in production. 1963-64 saw Indian Iron produce one million tonnes of steel ingots and 810,000 tonnes of salable steel. That dropped in 1964-65 slightly to 950,000 tonnes of ingots and 755,000 tonnes of salable steel. But by the time we reached 1970-71, it dropped to 627,000 tonnes of ingots and 523,000 tonnes of salable steel.

1971-72 saw a further drop to 617,000 tonnes of ingots and to 500,000 tonnes of salable steel. That was the position so far as the period upto 1971 was concerned.

Hon. Members will appreciate that the decision to take over the management of IISCO was taken after the end of the financial year 1971-72. It was taken because if we take the figures of 1971-72, the last quarter, the production was 1,43,300 tonnes of ingots and 1,24,617 tonnes of salable steel. The first quarter of 1972-73, that is, April, May and June, 1972, gave us production 91,029 tonnes and 69,197 tonnes of salable steel. That is a drop of 36 per cent in the production of ingots and a drop of 43 per cent in the production of salable steel a precipitous drop.

In order to convey my ideas very clearly to the House, I would like to give a comparison. Supposing we had continued to produce at the same rate for the whole of 1972-73 as we produced in the first quarter of 1972-73, we would produce 8,364,116 tonnes of ingots and 276,788 tonnes of salable steel compared to an already low figure for 1971-72 of 617,000 tonnes of ingots and 500,000 tonnes of salable steel. Hon. Members will appreciate, therefore, that when I say that there was a disastrous drop in production, as between the last quarter of 1971-72, that is, 1st January to 31st March, 1972 and the first quarter of 1972-73, that is, 1st of April to 30th June, 1972, I am not using very strong language at all. On the contrary, my hon. friend, Mr. Hiren Mukerjee would have rightly used much much stronger language in a situation like this. But I have still to learn from him in a matters of this character. I do say that it was a very very serious situation which ultimately compelled the Government to interfere and take over the management.

Dr. Pandeya said that we should have done it earlier. That is a matter of opinion. It is not necessary to go into it now. What I seek to do today is to justify the action of the Government in taking it over on the day that we actually did. Hon. Members will appreciate that this really meant that the Government was faced with a dilemma. Was the situation deteriorating in such a way that it required immediate intervention or not or would we be justified

in waiting till the Annual General Meeting which ordinarily would be held sometime September or so where we could probably have mobilised more than a majority of votes in order to take over the management ourselves? We thought that the situation was critical enough and, I think, the House will also agree with the Government in the decision that it come to that the situation was critical enough and demanded immediate intervention. And that is why we intervened immediately.

The House will, of course, be anxious to know how it is that IISCO was reduced to such a poor state because there have been quite a number of statements coming from different quarters implying that the main reason for the deterioration in the IISCO was let me use a mild expression again—due to lack of cooperation from labour. But the assessment of Government after going into the matter, both before and more so even in detail after the take-over, is that it was really due to neglect of maintenance over quite a long period, non-replacement of equipment, lack of modernisation because Indian Iron is an old plant, and of course, to some extent, disturbed industrial relations.

17 hrs.

The most dangerous area so far as Indian Iron is concerned was really the coke-ovens. We have got five batteries in Indian Iron batteries 5, 6, 7, 8 and 9. Unfortunately, only batteries 7, 8 and 9 were working and out of these batteries 7, 8 and 9, battery number 7 was also in a very bad condition. The Government Directors on the Indian Iron we have four, namely, the Secretary of the Steel Department, Mr. Sarin, the Chairman of Hindustan Steel, Mr. Bhaya, the Chairman of Bokaro Steel, as well as a representative of the Life Insurance Corporation, the Zonal Manager, Mr. Sohoni had been urging inside the Board itself that speedy action should be taken to bring back to life both batteries numbers 5 and 6, which had been banked. In fact, battery number 5 has come into operation after a few days after the take-over. But as a result of neglect of coke-ovens which, of course, is not a feature that is solely an Indian iron feature, we had a serious situation so far as availability,

of gas is concerned, and that really was responsible for the very sharp drop in production which we have seen both in May and even more so in June. Both in Bhilai as well as in Rourkela, when we found ourselves in difficulties with regard to coke-ovens and therefore we were not really manufacturing enough gas to be able to work our rolling mills at the highest capacity possible, what we had done was to introduce oil-firing, that is to say, using a different type of fuel which would enable us to keep our rolling mills going. Unfortunately, so far as Indian Iron is concerned, this precautionary step was not taken and, in fact, has only been initiated after the take over in the middle of July.

It will, of course, be wrong on my part to hide from the House the fact that we have had a serious situation so far as industrial relations are concerned in the Indian Iron. For many years there has been a rather peculiar system in the Indian Iron by which there was no weekly off at all and heavy overtime was paid. The result was that, when an agreement was arrived at between the steel plants on the one hand and the Joint Wages Negotiating Committee representing all the trade unions on the other regarding the level of wages and about the conditions of work, in 1970, though IISCO was a party to that agreement—both the company and the unions—they found it difficult to implement it because it meant completely reorganizing the shift system in IISCO. That reorganization was ultimately agreed to in December of 1971 and brought into operation some time in February, 1972. But, unfortunately, it has not really gone very smoothly and this also has been a contributory factor so far as the deterioration in production in April, May and June are concerned. We are trying now, after Government has taken it over, to see whether it is not possible to sort out this matter. We have got the promise of fullest cooperation by the trade union and we hope that, as a result of the efforts that have been made, we will be able to find some solution. Today, in fact, the Labour Minister of the West Bengal Government is down in Burnpur. I myself had been there after the take-over, and we are trying to give it as detailed attention as possible so to be able not merely to justify the decision of the Government which is not so impor-

tant but to see to it that production is really increased in IISCO which, I think, is very very important indeed.

Hon Members, I am sure, will be anxious to know what exactly the Government has done since the take-over in the middle of July. The first step we took and really the most important step we took, is increasing the availability of coke on the one hand and coal tar on the other. From the Durgapur Projects Ltd which is a public sector company run by the West Bengal Government we have been supplied 1000 tonnes of coal tar and we have made use of it. We have been promised supply of coke and we will be using it. We have also got about a thousand tonnes of coal tar from the Durgapur Steel Plant, the public sector steel plant in Durgapur, and that has made up to some extent for the mal-functioning of the coke ovens. We are also attaching very great importance to the repair and rebuilding of the coke ovens on a priority basis. Battery No. 5, as I mentioned to the hon Members just a minute ago, was commissioned on 20th July and this has resulted in a greater availability of gas as well as coke. We have also now drafted and are putting into effect a crash programme to introduce facilities for oil firing as a substitute for the use of gas which is not available in the sheet mill, the rod mill and the steel melting shop. The cranes we found were in a very bad way. I myself saw them when I went down to Burnpur and we are taking emergent steps to recondition and replace the cranes and other equipment using mainly the services of Jssops. Finally we have placed an emergent order for two boilers with the AVB which are very badly needed because of the chronic shortage of steam at the work and we hope to get them working within a reasonable time.

The most heartening feature actually after the take-over has been that we have been able to restore rolling the centre sill sections which has been put through a couple of weeks ago. It was envisaged earlier and the private management actually indicated to the Iron & Steel Controller that these sections could not be rolled and since these sections are materials which are important for the wagon-building industry,

[Shri S. Mohan Kumaramangalam]

virtually it would have meant the closure of our wagon-building industry. After the take-over we have been able to bring that particular section back into operation and I think this is a substantial improvement.

Now, to give hon Members the figures of production which, I am sure, they will be anxious to have, the position so far as saleable steel is concerned, from the 1st of July to 15th of July, that is, before take-over, the production was 6409 tonnes, and from the 15th July to 31st July (after take-over)—the production is 10490 tonnes, and 1st to 15th August it is 11994 tonnes. So far as in gots steel is concerned, for the whole of July we produced 23,789 tonnes of ingot steel and till August 20, that is, upto yesterday, we have produced 23984 tonnes. That is in 20 days we have surpassed the total production for July. I am not putting these figures forward in an attempt to show that we are over the hump in IISCO. We are not. We are far from that because even if we produce, let us say, somewhere in the region of 30,000 to 35,000 tonnes of saleable steel, we will be only reaching a total production in the year somewhere around 4 lakh tonnes which is a miserable production and which we cannot at all be satisfied. I only want to satisfy hon Member because it is my duty to attempt to at least satisfy them that the Government is taking the situation very seriously and is trying to do the best that we can under these circumstances.

Before I close, just one or two remarks I would like to make about the Bill itself. Hon. Members must have noticed a particular clause in the Bill, I think it is clause 3 sub-clause (3), where we have dealt with the question of contracts in relation to the management, that is to say, the managerial contracts that are set aside. The reason is that the hon Members know that Martin Burn were the Managing Agents right upto 4th April 1970. Now, after the 4th of April, with the abolition of the Managing Agency system, the company is being managed by a Board of Directors under the chairmanship of Shri Biren Mukerji. But in a rather interesting manner, which I believe, is not uncommon in industry to-day, the Board of Directors appointed Martin Burn as, the Secretaries of the Company to carry on the managerial and day-to-day administra-

tion of the Company, on a remuneration of Rs. 12,500 a month for a period of five years with effect from 4th April 1970. Not only that. A number of different contracts also were entered into with Martin Burn. They were appointed as registrars of Indian Iron; they were appointed to look after the security arrangement of the company's head office at Calcutta on a remuneration of Rs. 7500. IISCO were asked to pay a rent of Rs. 8 lakhs for the use of the premises of Martin Burn in Calcutta itself. Martin Burn was to provide the services of the Cash Department for IISCO, as though IISCO itself was not capable of providing such a service. IISCO entered into pool service arrangements with all other participating companies which earlier on had Martin Burn as their managing agents. Under this arrangement, IISCO was drawing on the services of part of the departments of Martin Burn and Company, even though it had its own Departments.

That is why under this Ordinance as it were, all contracts have been terminated which were contracts by which management had been handed over by means of any other concern.

**SHRI INDRAJIT GUPTA (Alipore) :** When this Bill is passed, will those contracts to which the Minister referred stand automatically terminated, or will the Government only have the power to terminate?

**SHRI S. MOHAN KUMARAMANGALAM :** If you look at the Bill itself you will see this. It refers to any contract whether express or implied or other arrangement in so far as it relates to the management of the business and affairs of the company in relation to its undertaking and in force immediately before the appointed day, and it shall be deemed to have terminated the the appointed day. The question of the Government taking power to terminate the contract does not arise.

As I understand it this is the position. Ultimately the courts will decide as to what is the interpretation of law. As I understand it, as I want it to be, and what Government intends, there is automatic termination of contracts whether expressed or implied or other arrangements. We use a wider expression, namely, in so far as it relates to the management of the business and affairs of the company.



We have limited the language, because otherwise, any contract might possibly be included and that might disrupt to ordinary commercial transactions of the company, which was not the aim of the introduction of this clause at all. What is referred to here is, a contract in so far as it relates to the management of the business and affairs of the company.

I hope that clears to point that my hon. friend raised.

I was just at the stage of mentioning to the House that the Board of Directors had also decided that a Committee of Directors consisting of Romen Mukherjee and B. P. Ray would manage the day to day affairs of the company. This they did by means of a resolution. Therefore, in effect that managing agents went out of the right door, but, as it were, they came back by the left door by means of these various contracts and arrangements and so on. And, one group, namely, the Martin Burn Group continued to keep their control of the company.

I would not comment whether it was good or bad. I am only stating the facts. It is necessary for me when I come before the House to justify the introduction of this particular clause. This is, in a sense, somewhat of a special clause which you do not find in the various different pieces of legislations that have been brought before the House when we took over any particular organisation.

Therefore, these are the reasons which prompted us. I think, hon. Members will appreciate how important it is that we should have brought in this particular clause.  
17.14 hrs.

[SHRI R. D. BHANDARE *in the Chair*]

Dr Laxmimirain Pandeya—though he is not here to hear what I have got to say about the matter; I think I had better answer him because other hon. Members may be having this point in their minds also—had also raised the question as to why we should do it only for a limited period of two years, and he asked why only two years, why not twenty years or why not five years and so on, and he asked what was sacred or significant in this period of two years. My

answer to hon. Members is that it is two years in order to decide what to do. It is not two years for any other purpose. I made it very clear even when I explained to the press at the time of the take-over that Government certainly does not envisage handing back the management to the previous management.....

SHRI JYOTIRMOY BOSU (*Diamond Harbour*): A court of wards.

SHRI S. MOHAN KUMARAMANGALAM: We do not think that Government or the financial institutions which own altogether 49.35 per cent of the shares should hand back the management to a group which controls less than one per cent of the shares, because according to the present information that Government has got, the Mukerjee group does not control even one per cent for the shares; so, it would not be proper to go on having the tail wagging the dog for all time; sometimes, the dog also should wag the tail, and that is the purpose.....

SHRI JYOTIRMOY BOSU: Before 1976, before the elections, they will make a handsome donation. and then they will hand it over.

SHRI S. MOHAN KUMARAMANGALAM: At least, the hon. Member should be glad about it that...

SHRI JYOTIRMOY BOSU: I am very happy. But why not nationalise it?

SHRI S. MOHAN KUMARAMANGALAM: Let my hon. friend hold on for a minute. Let him just applaud once for his life, and that will do him good also. But, let me continue.

We wanted these powers in order to be able to decide what exactly we should do. Hon. Members might feel that it would be an extremely, if you will excuse me using that expression, revolutionary step to acquire the whole thing lock, stock and barrel, but then they will also appreciate that in the Constitution, under which we operate at present, whether my hon. friend likes it or not, he also operates under it, the position is that compensation would have to be paid for the shares of those which we take over or for the concern as a whole. We do not

think that there is any purpose in our entering into this controversy at the moment. We think that it is better that we should start operating this company under the management of the Government itself, and then as days pass by, we will assess from the point of view of the country which is the best way by which ultimately Government management as it were may be made permanent. But I would like to assure the House that there is absolutely no question of the management of this company going out of the hands of the Government and back into the hands either of the erstwhile management or of any other future private management that may rest its greedy eyes on IISCO. It is merely a question of time in order to be able to decide what would be the most appropriate form.

Hon Members will also appreciate that we have a certain difficulty in the sense that a considerable amount of money will have to be invested in IISCO in order to make it come up to the rated capacity of a million tonnes. As at present estimated, for the plant rehabilitation itself which will enable it to come to one million tonnes, the various repairs that will have to be undertaken, the rebuilding of the coke ovens and so on, it will cost us somewhere in the region of Rs. crores. Then, there is other project of expanding IISCO from one to 1.3 million tonnes, and that will, according to the company original estimate, take us anything from Rs. 60 crores and more. When one sees that the paid-up capital is in the region of Rs. 24 odd crores, obviously investment of, let us say, something between Rs. 80 and Rs. 100 crores is going to change the balance of the position inside the company is itself. It is because we wanted to finally come to a conclusion, after studying it, about what would be the most appropriate form of organisation for the running of the IISCO with the least loss from the point of view of the State and the country that we have taken these two years, and we propose within that time to come to a final conclusion and obviously that will mean coming back to this House.

I think hon. Members do appreciate that by and large there has been welcome throughout the country about this decision of the Government, and therefore, I would commend this Bill for the consideration of the House.

MR. CHAIRMAN : Motion moved :

"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".

SHRI ROBIN SEN (Asansol) I would have welcomed this Bill, had there been a provision in the Bill nationalising the company. The hon. Minister of Steel attributed the reason for the taking over of this company to mismanagement and fall in production. The production in this company started declining ever since 1964-65, and the production declined steadily during 1970-71 and 1971-72.

The gradual deterioration of plant, equipment and machinery due to lack of proper maintenance and replacement led to a fall in production from 10 lakh tonnes in 1963-64 to 6 lakh tonnes in 1971-72. The actual production came down to about 20-25 per cent of its rated capacity. But in this period, the profit increased from Rs. 3.2 crores to Rs. 3.68 crores, that is by about 65 lakhs between 1969 and 1971. I will quote certain figures to show the huge profits they have assessed from 1958 to 1971. Issued and subscribed capital increased from Rs. 7.82 crores to Rs. 27.58 crores, of which Rs. 8.20 crores only is actually paid in cash. Reserves went up from Rs. 6.16 crores to Rs. 42.44 crores; the total amount of dividend paid to shareholders comes to over Rs. 23.71 crores.

Surely, this profit was minted by sheer exploitation of the workers. The wages of the workers were the lowest in the steel industry. About 97 per cent of the workers used to get only Rs. 61 to Rs. 133 per month as basic wage. This was prior to the last agreement. There were two members representing Government on the board of directors. About 50 per cent of the shares of this company are held by the Government-controlled public financial institutions. I do not understand why in spite of this, the Steel Minister allowed the condition of the plant to deteriorate and indulge in huge loss of production when for want of steel, production in industries was suffering. I want to know from him why this delay.

The plant should have been taken over earlier.

Secondly, I do not understand why the takeover is only for two years. People must know what is the intention of the Government. As we know even in the textile industry, not even a single sick mill could be put to its full operation even after the required renovation within two years. Steel is a heavy industry and its spare parts and machineries are not available in the country. So what can we expect of the two years? Is it the intention of Government to fleece the tax payers by injecting more public money into the plant just to tide over the difficulties of the company and then hand it over back to Sir Biren?

**SHRI S. MOHAN KUMARAMAN-GALAM :** May I request him to remember what I said just five minutes ago and that is not the intention of Government?

**SHRI DINEN BATTACHARYYA :** He is speaking in an individual.

**SHRI S. MOHAN KUMARAMAN-GALAM :** No, I am speaking on behalf of Government.

**SHRI ROBIN SFN :** Sir, our doubt on this score is strengthened when we find that some of the top officers of this company who are responsible for mismanagement and fall in production have been entrusted to running of the mill even after taking-over. One Mr. N. R. Dutta, who was Deputy Manager production under Sir Biren and during whose period the production started declining, has been elevated to the post of General Manager. This N. R. Dutta is a person in the inner coterie and in the confidence of Sir Biren. Was this selection made to help Sir Biren to retain his control over the industry even after taking over of the company? I request the Steel Minister to get rid of this gentleman if he really wants the workers' co-operation and the efficient running of the plant.

The other things which I want to bring to the notice of the Steel Minister are these. LISCO employed a much less complement of workers as against the complement of other plants of comparable rated capacity. Some of the key operations of this plant

were being carried out by contract labourers which only damaged the plant. I want that this contract labour system should be abolished and they should be made permanent with continuity in their service.

Sir, I know that within the capitalist system no basic change is possible by mere taking over or even by nationalising a few industries. Nonetheless, we support this step, but while supporting it, we do insist that steps must be taken to democratise the management. Dependence on the bureauerats must end. The workers' genuine grievances should be attended to, and the workers should be taken into confidence in running the plants, and the workers' elected representatives should be taken into the management.

I concluding, I would like to ask the Government, how long they will pursue the policy of investing public money in the losing concerns or the sick mills, the mills which have been made sick by the private owners after squandering money and reducing them to Junks. Why those mills which are still viable should not be nationalised? Why the monopoly concerns where huge public money is invested should also not be nationalised without any compensation? In this connection, I would demand not both IISCO and TISCO should be nationalised so that steel which is indispensable for the country's industrial growth may not be under the control and whims of a few monopolists.

17.29 hrs.

[**SHRI K. N. TWARY** in the Chair].

**श्री स्वर्णसिंह सोखी (जमशेदपुर) :** सभापति महोदय, स्टील मिनिस्टर ने इंडियन ग्रायडर एंड स्टील कम्पनी को टेक ओवर करने के बारे में जो बिल रखा है, इसका मैं स्वागत करता हूँ। बहुत सी बातें उन्होंने बताई हैं। उन्होंने बताया है कि दो साल के लिए क्यों इसको लिया जा रहा है। दो साल तो जितनी मशीनरी उन्होंने बताई है रिपेयर करने वाली है, कोक ओवन प्लांट है, इलेक्ट्रिक ओवर हेड ट्रान्जिस्मिशन कॉज है, इन सब की रिपेयर के बारे में सोचते-सोचते और रिपेयर करते करते निकल जायेंगे। मेरे क्याल में तो—

MR. CHAIRMAN: Please continue tomorrow. There is a half-an-hour discussion to be raised by Shri Samar Guha.

17.10 hrs.

#### HALF-AN-HOUR DISCUSSION DECENTRALISATION OF GEOLOGICAL SURVEY OF INDIA

SHRI SAMAR GUHA (Contal): The decision to dismember the Geological Survey of India will immediately affect the future of over a thousand employees of GSI fifty per cent of them very immediately, although the hon. Minister had assured them that none of them would have to repent their being in the GSI, and that they would be in the other organisation. There is an overtone of politics in it and the scrutiny of the whole thing reveals some things. There is the possibility of many employees being declared surplus, many being demoted. There are many uncertainties. I am not arguing from that standpoint but from a much higher level. This is one of the oldest central organisations, more than a century old, built through many decades and many efforts

The decision to dismember it is unscientific, arbitrary, irregular, detrimental to the interest of many other Ministries and it is even against the convention of parliamentary practice; probably it is unconstitutional too. I have volumes of material to justify all the accusations but unfortunately my position is like that of a lawyer who defends in the upper court a person awarded death penalty in a lower court, who has to justify that the death penalty is not correct, but who has only ten minutes to argue out his case. I used the word unscientific because of this reason.

A committee was set up, Committee on Scientific Research to go into the issue GSI and decide whether it should be retained as it is, or should be divided into two parts. Subsequently the work of that committee was taken over by another committee, the Committee on Science and Technology, known as cost which came to the conclusion that it should be divided and that a major part or at least fifty per cent of it should go to the Central Ground Water Board.

I was astonished at the composition of this committee. An engineer is a scientist; a biochemist is also a scientist. But an engineer will not be asked to preside over a

meeting to decide whether a micro-biology section of a bio-chemistry department should be divided from that body section. Though an engineer is also a scientist, he will not be asked to do it because he is not competent to take discussion in the matter.

This committee on Science and Technology was composed of two physicists and an engineer, not a single reputed geologist or geo-hydrologist nor a representative from the GSI was there. Experts who have no knowledge of geology or geo-hydrology presided over the fate of this organisation and they decided that this should be dismembered. Strangely, there was nobody from the GSI in this committee.

They prepared a draft and at the stage of final consideration of that draft the Chairman of that committee invited the Director of the GSI in a letter dated January 29, 1971 and said: "The committee at its last meeting held on 18 January 1971 decided that a small group be set up consisting Shri B. K. Subramaniya, Dr. Kidwai, Dr. Sethna and yourself to go through the final draft report of the committee on GSI and make suggestions and amendments so that the amended draft might be placed before the committee".

The Director of Geological Survey only attended the first meeting. As his opinions were against the opinions of that committee the Chairman of that committee did something extraordinary. I have got the photostat of letters. The Chairman took a most unscientific, most irregular and most fantastic decision—he requested the Director of GSI in this letter not to attend the final meetings of the committee when the final draft was to be considered and decision taken whether GSI will be dismembered or not. Here is an extraordinary step. The Director was a regular member of the sub-committee and he was invited to attend the meetings of the sub-committee. But after attending one meeting, he was requested not to attend the final meetings when a final decision was to be taken. A letter was issued by the Chairman of the committee asking him not to attend the committee meetings. I quote:

"You are member of this committee. Since the committee is in its final stage and all the facts that you wanted to bring before it are in the process of