

this tragedy of life could be avoided if this social evil could be removed and the system of dowry could be eradicated from our midst

But the measure that we take should be effective. It should not be just like the Sarada Act, a mere scrap of paper. The people should be roused to co-operate with us. This measure should be a sort of opening to get the co-operation of the people. The present situation in India, especially the economic situation is such that very few can give the required amount either for their expenses for the marriage or as dowry for their daughters.

Next, I come to *stridhan*. Clause 2 of the Bill says

In this Act dowry' means any property or valuable security given or agreed to be given to one party to a marriage or to any other person on behalf of such party by the other party to the marriage or by any other person on behalf of such other party either at the marriage before or after the marriage as consideration for the betrothal or marriage of the said parties but does not include'

(1) dower or mahar in the case of persons to whom the Muslim Personal Law (Shariat) applies

And then comes sub-clause (11) which says

"any presents made at the time of the marriage to either party to the marriage in the form of ornaments, clothes and other articles not exceeding two thousand rupees in value in the aggregate"

For many people this Rs 2,000 itself may be beyond their capacity to pay, and in some cases it may be too little. Thus Bill should be made clear. There is no clarification as it is. In the Bihar Bill there is a clear definition. It says

"*stridhan* or any other religious obligations enjoined by the Hindu

law or the personal law applicable to the parties"

17 hrs.

This should be incorporated after item (11) in clause 2. I specially stress for its inclusion, because under the Hindu Succession Act, the daughters are supposed to get a part of the property of the father. It is just an eye-wash. In actual fact they don't. The father has the option to give away the property to his sons by a will, because in India, there is partiality towards the sons. The daughters do not actually get any part of the father's property. Hence, *stridhan* should not be included in this term 'dowry'. So the portion from the Bihar Act which I have quoted should be added after item (11) in clause 2.

Mr Chairman: Does the hon Member have much more to say?

Shrimati Manjula Devi: Yes.

Mr Chairman: She can continue tomorrow.

17 02 hrs.

*BOLANI ORES PRIVATE LIMITED

Mr. Chairman: The House will now take up the half an-hour discussion on Bolani Ores Private Limited. I will fix the time. Who are the other Members apart from Shri Sukla who have intimated their intention to participate in this discussion? I see none. How much time does the hon. Minister want?

The Minister of Steel, Mines and Fuel (Sardar Swaran Singh): The time may be divided half and half. 15 minutes may be given for each.

Mr Chairman: Shri Sukla may try to finish in 12 minutes so that some other Members may be permitted to put questions if they so desire, and then the hon. Minister can reply.

*Half-an-hour discussion

Shri Vidya Charan Shukla (Baloda Bazar): Mr. Chairman, the Members of this House do not generally know that whereas Government have made arrangement for supply of iron ore for two steel plants in the public sector, in one of the steel plants, viz. Durgapur, the contract for supply of iron ore has been given to a very dominant foreign mining interest, in complete disregard of our national policy and national interest.

The supplies of iron ore to Durgapur steel plant will be made by the company known as Bolani Ores Private Limited. 49.5 per cent of the shares of this concern are owned by a company known as the Orissa Mineral Development Company, which is another name for Bird and Company, Calcutta. The Government of India have kept 50.5 per cent. of the shares, but the entire financial and managerial control of this concern, Bolani Ores Private Limited, has been given to Bird and Company as Secretaries and Treasurers of this Company. We fail to understand why departmental mining could not be arranged in Durgapur on the same pattern which has been arranged in Bhilai and as it is being arranged in Rourkela. When I enquired about the reasons through the Reference Branch of the Lok Sabha Secretariat, the Ministry submitted two reasons for giving the contract for supply of iron ore to Bolani Ores (Private) Limited instead of working it departmentally. The first reason given was that in the Gua region, from where supply is to be derived by the Durgapur Steel Plant, the private mining interests had most of the mines in their hands. It further says that the Gua region has got practically inexhaustible reserves of iron ore both in quantity as well as in quality. The second reason given is that the limited resources of the Government already committed for the development of the two mines Rajaura and Barsua in Rourkela and Bhilai, it was considered desirable to develop the mines in Bolani in collaboration with the existing firms. Now what we cannot understand is that the Gua region, if it has got practically in-

exhaustible resources of iron ores why could not the Government of India take it up and develop the underdeveloped area for supplies to the Durgapur steel plant.

As you know, steel plants are vital and they are strategic to our national life and so none of those functions, particularly the function of supplying raw materials can be entrusted to any private enterprise. That by itself will defeat our policy of keeping all these basic industries in the public sector. This is being done so that the private individuals and private companies have no say in the running of these important steel plant.

It was also envisaged in our Industrial Policy Resolution that in future all major mining in iron ore, Schedule A minerals, will be done entirely in the public sector and no mining project will be given to the private hands. But in utter disregard to the declared policy of the Government this mining in the Gua region has been given to Bolani Ores (Private) Limited, where only a nominal and symbolical control has been retained by the Government, and in fact the whole thing is operated and run by a British mining company here.

The argument about the limited resources of the Government do not appeal and we do not see any reason in it, because the iron ore areas of Bhilai are being run by the Government by help of the raising contractors. These raising contractors are more or less labour contractors who supply unskilled as well as skilled labourers for the running of mines, whereas the control of the mines is completely in the hands of the plant authorities. They put up the machinery and they supervise the running of the mines whereas the day to day operations and the supply of skilled and unskilled labourers is done by the raising contractors who are paid at some rates. The same laudable practice could have been followed in the Gua region also. But we do not know the reason why it was discarded and

a completely new private company was formed for supplying iron ore to Durgapur.

Another thing which I would like the Minister to clarify is this. When they were entering into the contract with Bird and Company and the Orissa Mineral Development Company did they also try to negotiate with other mining interests in the Gua region and, if so, who were such major companies who were operating the iron ore mines in the Gua region with whom the Ministry of Iron and Steel conducted negotiations before they finalized their arrangement with Bird and Company for formation of Bolani Ores (Private) Limited?

In Orissa, as the House might be aware, there is one Orissa Mining Corporation in which the Government of India and the Government of Orissa are equal partners. This company could have very easily taken over the work of producing iron ore for the Durgapur steel works. I do not know whether this company was ever approached or whether the Government of Orissa was ever consulted about this matter before the Government of India finalized this arrangement with Bird and Company for the formation of Bolani Ores (Private) Limited

Now, finally I come to the question of prices and the length of contract of Bolani Ores (Private) Limited with Durgapur Steel Plant. I would like to know how the prices which have been settled with Bolani Ores (Private) Limited, compare with the prices at which we are getting the iron ore at Bhilai, that is, the per ton price of iron ore at the pit mouth. I hope the hon. Minister will clarify whether we have gained any advantage by entering into an contract with Bolani Ores (Private) Limited or whether it could have been more advantageous to work the iron ore mines ourselves.

I would also like to know the length of the contract. How long are going to depend on the management of

Bird and Company to get the vital supplies of raw iron ore for running the Durgapur steel plants?

These are the only four points which I want the hon. Minister to clarify and I hope he will be able to satisfy us on this score.

Mr. Chairman: I have received a request from Shri Panigrahi, that he should be allowed to speak. He had not given the intimation earlier and as such I think the only thing that can be done at this stage is that he can ask a few questions for clarification. Then I will call upon the hon. Minister to reply.

Shri Panigrahi (Puri): Mr. Chairman, I would like to be informed about the following points by the hon. Minister. Previous to the formation of or entering into an agreement with Orissa Minerals Development Company whether the Government of India invested Rs. 5 lakhs or not and started an Orissa Mining Corporation in Orissa and whether it was not started in the year 1956 whereas the agreement with Orissa Minerals Development Company was signed on the 5th June, 1957. Prior to the agreement with the Orissa Minerals Development Company on the 5th June, 1957, an idea of forming the National Mineral Development Company was also there and it had also been formed to develop the area. I would also like to know whether the iron ore deposits in the Kiriburu area of Orissa are not quite sufficient to meet the requirements of Durgapur for which the Government of India have started this National Mineral Company.

With regard to the appointment of Bird and Company as Secretary and Treasurers, I would like to be informed by the hon. Minister as to what made it necessary that they should be appointed as Secretary and Treasurers and what is the remuneration for their services. What the Government of India is going to pay or is there anything in that agreement to that effect?

[Shri Panigrahi]

I was going through the articles of association. It really covers a wide field than what we are given to understand. The Bolani Ores (Private) Limited has about 41 objects. I do not want to enumerate all that, but it goes against the very industrial policy of the Government of India. How is it possible that the Government has gone into an agreement with this Orissa Mineral Development Company?

Sardar Swaran Singh: He is converting the questions into a speech.

Shri Panigrahi: No, I am not converting the questions into a speech.

Mr. Chairman: What is the particular issue in which he finds that the industrial policy is subverted? He may ask that particular question.

Shri Panigrahi: This company has been formed with the object of purchasing ships and purchasing boats and with the object of running different industries. How is it that Government can enter into an agreement with the Orissa Mineral Development Company with the sole object of supplying iron ore to Durgapuri but covering all aspects of industrial activity? How can Government go into partnership with an individual company, that is Bird & Company which is very famous and whose capital is owned by British interests? So my apprehension is whether it is true that the British financial interests have prevailed upon the Government of India to go into partnership with the Orissa Mineral Development Company so as to supply iron ore to Durgapur. I think this apprehension should be cleared.

Mr. Chairman: Is it your point that it is not only on this particular point of supplying ore to Durgapur but it is a much more comprehensive agreement which covers many other aspects of industrialisation?

Shri Panigrahi: Exactly so. And when it covers a wide scope of activities in the industrial sector I want to know how Parliament was not consulted.

Shri Supakar: May I know when this Bird & Company got the lease of this area and what is the period of their lease?

Shri T. B. Vittal Rao (Khammam): And the extent of lease.

Shri Supakar: The area and the period of lease.

Sardar Swaran Singh: Mr. Chairman, there is really not much to reply, because the points that have been raised have come up before this honourable House on two earlier occasions once in April when the hon. Member from Orissa, Shri Panigrahi, tabled a starred question, and this morning again in reply to supplementaries to a starred question when I threw some light on this Bolani Ores Limited.

In the first place it will not be correct to say that Bolani Ores is in any way a British concern. The constitution of it is quite clear. Government own a majority share, that is 50.5 per cent, and the Orissa Mineral Development Company own 49.5 per cent. According to the information in my possession the Orissa Mineral Development Company is an Indian company, incorporated in India, and I think the majority of the shares in the Orissa Mineral Development Company are owned by Indians. Therefore the basic thing which is the subject matter of this controversy does not appear to be correct.

Shri Panigrahi: May I just correct him?

Shri Vidya Charan Shukla: Bird & Company are the managing agents.

Sardar Swaran Singh: So, all that it boils down to is this, namely, for this joint venture, in which Government hold a majority of shares and in the minority part also the majority of the shares is owned by Indian nationals, why has the managing

agency been given to Bird & Company.

Mr. Chairman: The point which the hon. Member made was that the majority of shares are held by Bird & Company which is the managing agency, and their contention is that the majority of the shares in Bird & Company are foreign

Sardar Swaran Singh: That Mr Chairman, is not correct factually, because in the Orissa Mineral Development Corporation the majority of shares are not owned by Bird & Company.

Shri Panigrahi: They are owned

Sardar Swaran Singh: When you check up the register you will find that you are not correct

The point, therefore, is, for this venture, as you have rightly pointed out, why has the managing agency been given to Bird & Company And the objection is that this being a foreign company, in the sense that the majority of the shareholders in Bird & Company may be foreigners, why has the managing agency for this Bolani Ores been given to them.

So far as this aspects of the matter is concerned, in a venture where the majority is owned by Government and only a minority is owned by the other party, and where out of the five directors two are appointed by the Government, two by the Orissa Mineral Development Company and the Chairman also is appointed by the Government—though after consulting the other partner—, we cannot say that the structure of the company is in any way wrong or erroneous, or that the interests of the Government have not been sufficiently safeguarded That cannot be an objection against this.

Other points have been raised that there are other companies, and in this particular connection, mention has been made that the Orissa Mining

Corporation which is a joint venture of the Government of India and the Orissa Government to the tune of 50 per cent each, and it has been asked why has this work not been entrusted to the Orissa Mining Corporation? I hope the Orissa Mining Corporation is developing and would be able to raise more iron ore, because our requirements not only for this Plan, but for the next Plan are likely to be quite considerable and the Orissa Mining Corporation will have enough to do During the last year, 1958, the Orissa Mining Corporation was able to raise about 47,450 tons in the whole of the year. All this was sold to the S. T. C for the purpose of export. They are working in two or three mines Let us hope that they work more. But, the quantum of work that is required to be completed for the production of iron ore for supply to Durgapur Steel plant is much larger in quantum and is of a highly mechanised character. I am afraid, the Orissa Mining Corporation, if they had been entrusted with this work, would have not found it easy with their resources both of men as well as equipment to handle this work

Government have taken a very deliberate decision to expand the public sector so far as mining of iron ore is concerned. The House is fully aware that for Bhilai we are developing the Rajhara mines, highly mechanised For Rourkela, Barsua mines are developed, again highly mechanised It is our intention that Bolani would also be highly mechanised so that the requirements not only of the existing capacity of Durgapur, but in case of expansion, even more might be supplied from Bolani Besides these, as is known, the Kiriburu mine is being developed in the public sector so that it may be able to export 2 million tons annually and for that a contract with Japan has already been entered into. I am mentioning this all to show that the Government have not hesitated to enter in this mining iron ore in the public sector and to the maximum extent all the resources that could be

[Sardar Swaran Singh]

thought of in the year 1956 were directed in this direction.

There is nothing wrong in principle in having a partnership in which the Government is the majority partner and the other participant is only a minority partner. Actually, if I might recall, even the Estimates Committee have pointed out that in other State undertakings which are at the moment wholly state-owned, Government might start thinking in terms of associating others in the form of giving equity capital to others. Therefore, in principle, there is nothing wrong in entering into a partnership, particularly in a partnership of this type where the Government holds the majority. Therefore, the only point which is objected to is the giving of managing agency to Bird & Co. I would like to say that Bird & Co. also an Indian company. May be that its shares are owned by outsiders. I think, as a matter of policy, we have not adopted any such policy that there should be any discrimination between one Indian incorporated company as against another. We always talk of the coming in of foreign capital in a variety of directions, we are always thinking in terms of incentives and the like, the creation of a climate proper for foreign investments etc. Hence in cases where there is participation in equity capital there should not be any objection whatsoever.

With regard to the giving of the managing agency, this point was gone into with great care.

Shri Panigrahi: They have been appointed for 15 years.

Sardar Swaran Singh: Please wait. I am coming to that point. Why are you impatient over a small thing? You can be impatient about Kerala, but not about iron ore.

What I was trying to submit was this. This firm has got experience in

this line. It had already done in this particular area a lot of work in proving the deposits, in undertaking preliminary work and also in undertaking work for the location of the railway siding and the like, and in 1956 it was considered that it would be a good arrangement if this work of management could be entrusted to another agency. After all, in the year 1956, with three steel plants all in the public sector, with two of the mining projects for production of iron ore, also entirely in the public sector, if, with regard to the third, another experiment was tried and a partnership was entered into, and the experience, knowledge, know-how and the managerial skill of a well-known firm, a firm of repute who had functioned in that area, who had experience of work in that area, was taken, there is nothing wrong in principle, because we had been taking advantage of such arrangements before also. In other directions also I think we cannot rule out the association of private firms or private individuals with the public sector, provided of course that the terms are appropriate in entering into arrangements or partnerships of this type.

A point was raised by Shri Vidya Charan Shukla that in the matter of the supply of raw materials to steel plants we should not tie ourselves down to any foreign interest. I think it is wrong to say that in this case we are in any way trying ourselves to any foreign interest merely because they happen to be the managers or treasurers of this. After all, even in the board of directors Government have got a predominant voice, and no fear of any such thing need be entertained. But I would also like to add that this type of suspicion is not good, because, to say that every little thing that is required for the steel plant should have nothing to do with any foreigner is a proposition which from a sheer practical point of view, it is not easy for me to accept. We will be supplying coal to the steel plants,

and all the coal, I am afraid, as we stand today, will not be available from State collieries. We will have to depend for coal for the steel plants in the public sector as well as in the private sector on sources outside those which are developed by the National Coal Development Corporation. A very large number of things are required such as oil, a number of minerals, large and small, a large number of chemicals, electricals, for the maintenance of steel plants. It will be a very desirable thing if we can evolve a picture where we are not dependant for anything whatsoever on any foreign interest but I do not suppose that we are particularly isolationists in our approach with regard to matters of this nature, and we should not lose our confidence in the ultimate capacity of any particular project to produce results merely because of this idea that with regard to the supply of this or that part we are dependent upon a source which is not entirely within our control. I think so far as the over-all regulation of supply or the like in all these matters is concerned, Government is not without authority or power, and no such fear need be entertained on that score.

Then, one or two questions were put, about which I might like to clarify the position. It is true that the Orissa Mining Corporation had been started in 1956, and it is a partnership between the Government of India and the Orissa State; but it was considered that it will not be able to undertake the highly mechanised form of mining on this scale; and, therefore, a separate company was floated to undertake mining for this

So far as the Kiriburu deposits are concerned, I have already said that we are developing them in the public sector for a different purpose, namely that of export to Japan

Then, a question has been put as to the necessity of Messrs. Bird & Co being given the managing agency and the treasurership. I have attempted

to explain that with our hands full, it was considered that their experience and their business acumen and managerial capacity should be utilised. So far as the remuneration is concerned, the terms were negotiated; and Government were satisfied that the terms were not in any way onerous. It has always to be remembered that in the ultimate profits that the Bolan ores produce, Government will be entitled to more than half. So far as the remuneration is concerned, it is at the following rates, on the net profits of the company. In respect of each financial year of the company, for services rendered by them as secretaries and treasurers, the figures are 7 per cent on the first Rs. 15 lakhs—that is, 7 per cent of the net profits—6 per cent on the next Rs. 10 lakhs, and 5 per cent on the net profits over Rs 25 lakhs

Then, another question was put about the duration. The initial duration is for a period of fifteen years, and, thereafter, it can again be negotiated. These points were gone into. This remuneration that Government have agreed to pay compares quite favourably with remuneration that is normally paid for similar services in other spheres

Reference has been made by Shri Panigrahi to the rather elaborate articles of association or the memorandum which he says appears to be covering a large number of things. I am afraid that on that score, I share his concern. But it is not unusual for companies to put down a large number of things in their memoranda or articles of association; so we need not be frightened. The intention is that this is meant only for this specific purpose, notwithstanding the mention of any other things in the articles of association. If hon. Members try to scan some of the memoranda or articles of association of even our State undertakings, they will see that they also try to cover a large field; probably in the off chance of some little thing coming within

[Sardar Swaran Singh]

their scope and then in order not to be dependent on any extraneous source, by way of abundant precaution, they give it in the form of a particular item in the articles of association, or in the memoranda. But it is not the intention that this Bolani Ores Private Ltd. would do anything outside this. Nor is there any risk either, because the Industries (Development and Regulation) Act can always be used to stop the industrial activity in any direction, if we do not like. And Government being the majority partner, there need not be any fear on that score that they will do anything which is not consistent with the industrial policy.

I would like to assure the House that there is no truth in the suggestion that was made that any British interests or like prevailed upon Government to enter into this arrangement with Messrs. Bird & Co. It was considered, negotiated and discussed purely on its own merits, and Government came to the conclusion that this was the best arrangement.

So far as the area of lease is concerned, I think it is about 14 square miles or so; I am speaking from memory; I have not got the exact figure with me at the moment.

About the period of lease also, I might say that it is the usual period of lease which is permitted under the Mineral Concession Rules. So, I submit that there is nothing in this about which the House need have any fears whatsoever.

The working of this company will be watched with very great care and control, and if there is . . .

Mr. Chairman: But there is one question which has been left, and that is the question of the price of the ore to Durgapur and the price of the ores to Rourkela and Bhilai.

Sardar Swaran Singh: I am afraid I have not really been able to lay my fingers on that. But if I may say so,

that is not very material because we, the Government, are the majority partner and on that score, we will get more than half of whatever is the profit gained.

As regards the price, I think it is also mentioned, that it will not be more than Rs. 15 or so. I think some ceiling has been fixed but I am afraid I cannot give any precise answer on that, because I do not think any fixed price as such has been mentioned there—My colleague now tells me that the price is likely to work out at less than Rs 10 per ton I think it is quite attractive.

Shri Vidya Charan Shukla: Is there no mention of the price in the agreement concluded between the Hindustan Steel (Private) Limited and Bolani Ores (Private) Limited?

Sardar Swaran Singh: It is not at all necessary because Government are the part owners and that also in a majority way. I think it will not be in the interest of Government to enter into that kind of agreement, because we can always control the profits. There is nothing to prevent us from negotiating a price, and I am sure that the interests of the steel plant will be kept fully in view when negotiating the price.

Shri Vidya Charan Shukla: There are one or two questions I have to ask.

Mr. Chairman: I think we have already exceeded the time-limit.

Shri Vidya Charan Shukla: We will be very happy—we would not mind at all—if the price is equal to what we pay in the case of Bhilai. But here the hon. Minister has not said why a departure was made from the earlier system of raising the iron ore from the mines of Hindustan Steel (Private) Limited through the contractor system which they have followed in Bhilai. Why they departed from this

usual system and given over the mining operations to a completely new concern?

Mr. Chairman: I think the hon. Minister need not reply to that. He has already said that Government considered that the best persons available were Bird and Company. That, I think, is the only answer he

can give. We need not press that point any further. Also, we have already exceeded the time-limit.

17-38 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Thursday, August 6, 1950/Sravana 15, 1951 (Saka)