

backwardness of the State while allocating funds under the minimum needs programme?

SHRI MOHAN DHARIA: The minimum needs programme is based on certain criteria. This programme is mainly concerned with elementary education, health, nutrition programmes and roads to villages etc. Naturally those States and areas where these programmes have not been taken up so far will be covered by this scheme irrespective of the backwardness or population of the State. This is perhaps the distinct quality of this programme. So far as the Gadgil formula is concerned, that was for the Fourth Plan. What should be the basis and procedure of Central assistance for the Fifth Plan will be decided in consultation with the National Development Council, which is to meet in Delhi on the 8th and 9th December.

SHRI D. N. TIWARY: The benefits of these schemes could not go to many of the States because they could not arise the matching resources. Will the Planning Commission and the Government see that those States which cannot raise so much resources because of their backwardness and poor per capita income are also enabled to take advantage of these schemes?

SHRI MOHAN DHARIA: This is the genuine concern of not only the hon. Member but of the entire country. It is from this point of view that we have taken up the minimum needs programme so that the benefit will go mainly to the backward States and areas. In the Fifth Plan all possible care will be taken to see that a major portion of the benefits will go to such States and areas which are backward and which cannot mobilise resources because of their poverty.

SHRI K. LAKKAPPA: The hon. Minister has said that the performance of the various States in the previous

plan will be taken into consideration in evolving new criteria for giving assistance to the States which are not so developed. What steps are you going to take to see that those States which could not do so well during the Fourth Plan are enabled to do much better during the Fifth Plan?

SHRI MOHAN DHARIA: I have not said anything about the performance of States. But I can assure the hon. Member that we would like to give all encouragement to such States where the performance could be better?

Nationalisation of Indian Oxygen Limited

*244. **DR. RANEN SEN:** Will the Minister of INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY be pleased to state:

(a) whether Government of India have received a memorandum submitted by the All India Indian Oxygen and Acetylene Employees Federation, Calcutta demanding *inter alia* nationalisation of the Indian Oxygen Limited;

(b) whether Government are aware that similar demands were made in a meeting of the West Bengal Parliamentary Consultative Committee; and

(c) if so, whether Government considered the demands and action taken thereon?

THE DEPUTY MINISTER IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT (SHRI PRANAB KUMAR MUKHERJEE): (a) and (b). Government have received Memorandum from the All-India Indian Oxygen and Acetylene Employees Federation, Calcutta wherein reference to the discussion to the meeting of the West Bengal Parliamentary Consultative Committee had been made.

(c) There is no proposal to nationalise Indian Oxygen Limited.

DR. RANEN SEN: In view of the fact that the Indian Oxygen Limited is a subsidiary of the British Company known as the British Oxygen Co. Ltd., and its production will be of the size of about 80 per cent of the total gas production in our country which is essential for our medical purposes, for defence purposes and for keeping our airlines running, may I know why the Government did not consider these special points which have been raised in the Memorandum and which were raised in the West Bengal Parliamentary Consultative Committee and more so when the production is falling all over India in their unit due to bad industrial relations? I want to know why the Government have rejected this demand.

SHRI PRANAB KUMAR MUKHERJEE: In fact, in 1958, the Company was converted into a public limited company at the instance of the Government of India and, at present, 34 percent shareholding of the company is with the Indian people. Regarding the capacity, it is a fact that, at present, 60 per cent of the total gas produced comes from the Indian Oxygen Limited. In order to break the monopoly, it has already been decided that new units will be established. As many as 150 letters of intent have been issued; 39 units are expected to come up by 1974 and it is expected that at the end of the Fifth Plan, by 1978, when the total production of oxygen in the country will be to the extent of 120 million cubic metres, the share of the Indian Oxygen Limited will be 33.3 per cent. In view of the steps already taken to break the monopoly of the Company, the Government of India does not find it necessary to nationalise the Company.

DR. RANEN SEN: My last point has not been answered by the hon. Minister that the production is falling. Is it a fact that the production is falling due to bad industrial relations? Let him reply to that.

My second question is this. The hon. Minister said that letters of intent have been issued. It will take a long time. In the meantime, the whole production and distribution will vest in the British Company which is actually run by foreign vested interests. What is the difficulty in nationalising it? I don't understand. About the letters of intent and other things, I have understood it. But that takes a long time, say, 4 or 5 or 6 or even 10 years. May I know what prevents the Government to take over such an important industry in this country?

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND SCIENCE AND TECHNOLOGY (SHRI C. SUBRAMANIAM): We cannot have that policy for the Indian Oxygen Limited alone. We have a policy with regard to foreign companies functioning in India. Recently, the Parliament was pleased to pass the Foreign Exchange Regulation Act also wherein controls will be exercised. The plea of the hon. Member that we should have a separate nationalisation policy for the Indian Oxygen Limited is not at all acceptable to the Government. As far as production aspect is concerned, as far as the figures are available, there is no fall in production. On the other hand, because of their improved efficiency, there has been an increase in production.

PROF. MADHU DANDAVATE: In view of the fact that though the estimated requirement of oxygen in our country, in 1973-74, is to the extent of 75 million cubic metres and the actual installed capacity of the Indian Oxygen Limited is 70.3 million cubic metres, and due to bad management of the Indian Oxygen Limited and also due to bad industrial relations, worsening industrial relations, the installed capacity is remaining idle, taking all these things into consideration, will the Government revise its policy and take a decision to nationalise this particular plant?

SHRI C SUBRAMANIAM: As far as industrial relations in West Bengal are concerned, it is not with reference to the Indian Oxygen Limited. It is with reference to many of the projects in which case, wherever the industrial relations, deteriorate and we have to nationalise it—I wish after nationalisation at least, there will be better industrial relations—but deteriorating labour relations cannot be a reason for the purpose of nationalising anything.

PROF. MADHU DANDAVATE: I have also referred to the idle installed capacity. That is a very relevant part.

SHRI C. SUBRAMANIAM: If there is any fall in production because of industrial relations, that is a separate aspect altogether. As far as Indian Oxygen is concerned, I find that the production in 1968 was 19.8 million cubic metres and the production in 1972 was 35.8 million cubic metres. Therefore, his point that the production has gone down is not borne out by the figures.

PROF. MADHU DANDAVATE: What is the installed capacity and what is the idle capacity?

SHRI C. SUBRAMANIAM: Due to bad industrial relations, there might be a fall.

SHRI INDRAJIT GUPTA: While it may be true that there has not been any overall fall in production, is it not a fact that there have been serious dislocations from time to time of production due to either lock-outs or strikes? Is it also not a fact that the situation became so serious recently that the Government promulgated an order under the Defence of India Rules applicable to some units of this Indian Oxygen Company, and if that is so, I would like to know whether, in the case of such a strategic industry which is supplying gases for defence purposes, for medical purposes

and for industrial purposes Government does not consider the situation sufficiently serious to intervene either to set up an inquiry or to see that it is taken over and brought under effective control or that at least the dominant non-resident holding at present in this country is reduced and some amount of Government participation is introduced.

SHRI C. SUBRAMANIAM: As I have already stated, the industrial relations cannot be improved by the process of nationalisation or by the process of government participation in management. All this application of Defence of India rules, etc. is for the purpose of improving the labour relations because due to the fault of either management or labour, there is lock-out or strike. In these cases if we start applying the process of nationalisation or take-over, then we can take it for granted that everywhere a situation will be created where the Government will have to intervene and perhaps later on become a helpless agent, after having taken over, that we are not able to have any production at all.

SHRI INDRAJIT GUPTA: The Minister has replied to this question relating it to some general question. My question was whether this particular concern was not a strategic concern in this sense that if production of vital gases is dislocated, then we have seen what happens: the defence requirements are restricted and hospitals cannot carry on their normal work. Therefore, why should he put it on the same plane as any other industry?

SHRI C. SUBRAMANIAM: That is why, the labour should take discipline into account and should not create trouble. *(Interruption)*

SHRI INDRAJIT GUPTA: When you have not held an inquiry, how can you blame the labour only?