

Hon. Members will kindly recall that in the wake of cyclone and floods in the Southern States in November, 1992, Prime Minister had visited the affected areas and held discussions with the Chief Ministers on the rehabilitation measures required to be undertaken. On the direction of the Prime Minister, the coastal States had formulated a comprehensive Cyclone Emergency Project for reconstruction of the damaged infrastructure on the lines of the Cyclone Emergency Reconstruction project being implemented in Andhra Pradesh. This project was presented to the World Bank. The Bank has expressed some reservations about this project but are prepared to consider some of its components within the on-going Agriculture Development Project and/or another project on Water Resource Consolidation which is under preparation.

We are in touch with the State Government for further action to be taken in the matter in the light of the observations of the World Bank. The Government of India has also, as a very special case, approved a scheme for reconstruction of houses damaged during the 1992 cyclone with 40 per cent HUDCO loan assistance and Central and State subsidy of 30 per cent each. The schemes submitted for assistance are under consideration of HUDCO.

Sir, I may assure the House that Centre fully sympathises with the hardship and sufferings caused to the persons affected by the recent cyclone in Tamil Nadu and Pondicherry and would render whatever assistance possible in undertaking suitable rehabilitation programme.

SHRI P. G. NARAYANAN (Gobichettipalayam): Only a portion of the calamity fund has been released. What about the Central grant ?

MR. SPEAKER: You can discuss it when we take it up for discussion.

SHRI M. R. KADAMBUR JANNARTHANAN (Tirunelveli): The cyclone has hit the Timal Nadu coast afterwards also.

MR. SPEAKER: At 4.00 p.m. we are discussing earthquake. Probably, you can say something on this also.

MR. SPEAKER: Now we will take up legislative business, the Legislative bills to be introduced. Item No. 27

13.26 hrs.

RE:INTRODUCTION OF PUBLIC  
 SECTOR IRON AND STEEL  
 COMPANIES (RESTRUCTURING)  
 AND MISCELLANEOUS  
 PROVISIONS (AMENDMENT) BILL

[Translation]

SHRI RAM VILAS PASWAN (Roseria): Sir, it should be taken up after lunch because many members would oppose it. (Interruptions)

[English]

SHRI BASUDEB ACHARIA (Bankura): A number of members have given notices. They will speak.

MR. SPEAKER: When you oppose the introduction of the Bill, the point is technical, very short speeches have to be made by one or two Members, not all Members.

(Interruptions)

SHRI BASUDEB ACHARIA: All those who have given notices will speak.

MR. SPEAKER: You show me the rule that all those who are giving notices should be allowed to speak.

SHRI SOMNATH CHATTERJEE (Bolpur): This is a Bill where all the trade unions, INTUC, CITU, AITUC, HMS and BMS, all the trade unions have unitedly opposed it. We have to say something on it. The matter is very serious. This is not a routine matter. Kindly permit us to say about this. We will be as brief as possible.

MR. SPEAKER: I will allow all the valid points to be made to any extent of time by one or two Members. But I have 13 Members. You can have 13 Members speaking on the same point repeating the same thing. *(Interruptions)*

THE MINISTER OF WATER RESOURCES AND MINISTER OF PARLIAMENTARY AFFAIRS (SHRI VIDYACHARAN SHUKLA): I have to make a submission on this point. I had a discussion with the Members of the Opposition and leaders of the Opposition parties on this matter. Although we could not evolve any consensus in this matter but it was generally felt that after the introduction of the bill, it may be referred to the Standing Committee which would go into details. They can meet the trade unions leaders and other interested people who want to give evidence and suggestions on this matter and they can give their considered report to the House and on the basis of that report, further action in the matter can be taken. As the Minister explained in the meeting, we are not totally committed or bound to any particular approach in this particular matter. We would like to do it by consensus and not by confrontation. We

recognise that this is an important matter which should be properly considered.

So, I would request the hon. Members to allow the introduction of the Bills.

SHRI BASUDEB ACHARIA (Bankura): No. *(Interruptions)*

SHRI VIDYACHARAN SHUKLA: Let me complete. Then you can do what you want. I am only requesting hon. Members that they should allow the introduction of this Bill so that we will be able to send this Bill to the Standing Committee for their consideration and all shades of opinion can come before the Standing Committee. At the stage of the introduction, whatever hon. Members want to say, they can say or it can be said in front of the Standing Committee which is very properly constituted. I have no objection to the proper procedure being followed in this matter but to say that it must be postponed is not correct. We must see that all shades of opinion are taken into account and a proper decision is taken in the matter.

I would request the hon. Members to allow the introduction of this Bill here now so that it can be referred to the Standing Committee. *(Interruptions)*

SHRI BASUDEB ACHARIA (Bankura): We cannot allow the introduction of this Bill now. *(Interruptions)*

SHRI SRIKANTA JENA (Cuttack): It is a fact that the Parliamentary Affairs Minister called a meeting of the Leaders of the political parties to discuss this issue. We met him in his chamber. The hon. Minister of Steel also explained his difficulties. The hon. Minister of Steel said

in the meeting that he would go back to the workers' union meeting. He further said that on Friday he would be meeting them. He was sure that he would make them convinced. Then, we said that it is a good idea and told him to discuss with the workers first and then he could come back to the Leaders of the Political Parties and then we could come to a decision.

MR. SPEAKER: You are again divulging what you have discussed in the chamber.

SHRI SRIKANTA JENA: Since the Parliamentary Affairs Minister said that he met the Leaders of the different political parties, that is why I said we did meet. But it was also agreed that the Minister of Steel should discuss this matter with the Union first and then only we could discuss again. We told him that we can have a meeting and discuss this matter and then the Minister of Steel can bring forward this Bill for introduction. This is the fact.

SHRIMATI MALINI BHAT-TACHARAYA (Jadavpur): Sir, I think that the reason why we are objecting to this Bill at the introductory stage is the following: Not only do we find that the privatisation process is being undertaken without any other opinions being considered at all by the Government in an extremely arbitrary manner but also we find that there are certain legal snags involved here. For instance, it has been said that at the last Annual General Meeting of SAIL, the SAIL's Annual Report for 1992-93 was placed. But the revelation about the Profit and Loss of IISCO was not mentioned at all in that Report. Therefore, there is reason to question the validity of this meeting altogether. Under the circumstances, it would be totally illegitimate to have a Bill

introduced on the basis of that statement.  
(Interruptions)

SHRI INDRAJIT GUPTA (Midnapore): Sir, you will kindly note that this Bill, as circulated, contains no financial Memorandum. Every Bill has to have a Financial Memorandum. If the Government's case is that no expenditure will be involved, as far as the Government of India is concerned, it has to state so in the form, in the Financial Memorandum. There is no such thing here appended to this Bill.

Secondly, in the Statement of Objects and Reasons, if you look at it carefully, you will find that the Government has not stated anything about the viability of modernisation scheme in the private hands which they intend to take up. The House has to be convinced. We cannot pass a Bill without being convinced about the viability of some scheme or the contract into which they have entered with some private parties—both as regards the funding and as regards the technical expertise which is required to modernise a plant of two-million tonnes. There is nothing. Not a word is there in the Statement of Objects and Reasons. Thirdly, this country has been following for the last so many years an industrial policy which is based on concept of certain commanding heights of the economy.

You may finish off all that now because you have started on a new philosophy. But, we have been following a certain basic structure of economic and industrial development, part of which was that the existing steel plants, other than those which are already in the private sector, would be only in the public sector. If they want to start new steel plants in the

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private sector, well, they can try it. Here, an established, nationalised steel plant is sought to be handed over to the private sector. And I would submit that this cannot be done unless the Parliament gives its approval to a general amendment or change in the industrial policy which this country has been following. There is no indication of these things here at all.

Secondly, Sir, we have grave doubts; if you like, we can state them. One is about the viability of the scheme which they are seeking to introduce, which they have not at all revealed in the Statement of Objects and Reasons, in regard to funding. And all through the statement of objects and Reasons there is a reference to financial constraints. But, how the financial constraints will now be overcome? There is no hint about it, except that transfer of shares is going to take place. Where will the funding come from? There is not a word about it. What about the technical expertise for modernising a two million tonnes plant, which is being handed over to a company, which has never worked on any steel plant anywhere? There is no expertise. It is a company which is mainly manufacturing structurals, as we know, cranes and so on; they have never constructed or modernised or renovated any two million tonnes steel plant in this country. Are they not to explain to this House, are they not to convince us what they are trying to do, before the Parliament gives its approval to such a serious matter?

I consider this to be a black day in the history of our industrial policy and development. Apart from the technical aspect that there is no financial memorandum attached to it, this Bill is not proper. It is improperly presented here to the House. The Statement of Objects and Reasons is improper; it is incomplete; it

does not take either the Parliament into account or Parliament's approval for changing the basic structure of our industrial policy.

With regard to the other things, about the contents of this Bill, we can speak later on. But, on these grounds, at this stage, I am vehemently opposing the introduction of such an anti-national Bill. And I hope you will permit it.

SHRI SOMNATH CHATTERJEE  
(Bolpur): Mr. Speaker, Sir, why we oppose the introduction of this Bill, even at this stage, is because of the definite commitment given by the Government of India, on the floor of the House, through the Minister of Steel, in the year 1972, when the management was taken over.

Sir, I submit that the Government cannot openly and flagrantly violate their commitment to the nation given through this Parliament of India.

Sir, with your permission, I am quoting a few lines of Shri Mohan Kumaramangalam's speech delivered in this House on 21st August, 1972. We had the privilege of listening to him. I remember very vividly the great commitment and involvement made by the then Government of India's Steel Minister, when he had moved that Bill for taking over the management. Sir, I quote:

"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 ques-

tion of time in order to be able to decide what would be the most appropriate form."

Sir, this is the commitment of the Government of India, of the Congress Government, given during Shrimati Indira Gandhi's time. They said, it will never go back to private management. And then, Sir, it was followed by nationalisation in 1976, when our esteemed friend, Shri Chandra Jeet Yadav was the Steel Minister of Indira Gandhi's Government. He says:

"After spending so much money and also improving the production significantly, the Government decided that this Company could not be given back to the old management which was so cruelly negligent.

This Government had to step in and the Government could not invest money unless and until the Company was in Government hands."

Regarding public sector, this is what the then Steel Minister of the Congress Government said:

"Mr. Daga, I am sorry to say, raised some general questions about the functioning of the public sector particularly in a year when the public sector, on the whole, has done so well. Today not only the people of this country but the people all over the world have recognised the contribution of the public sector and at that time to attack in general way that the public sector managers are going on in their own way and there are no rules and regulations applied to them, is not fair. This year the public sector has done very well.

They have made a very valuable contribution to our economy, they have shown that the public sector, management-wise, expertise-wise and profit-wise, is very well comparable to, rather much better than, the private sector. Even the private sector people in this country who had been all these years denigrating the public sector have been compelled to recognise the contribution of the public sector in this country. Therefore, it will not be fair to make this kind of general observation about the public sector management."

These were all said on the floor of this august House. They have now resurrected Manmohan; they have buried Mohan Kumaramangalam. On the ashes of the denigration of the public sector, on the ashes of completely giving a go by to the principle of self-reliance, this Government has come shamefacedly, without any accountability whatsoever to the people of this country, going back on everything which has been committed to this nation, bringing this Bill for privatisation of this industry.

It is being said they have no money. The only reason that has been given by the Minister of Steel, by the Minister of Finance is that they have no money. This Government has issued a document which says that they have borrowed only Rs. 2,32,216 crore from foreign sources. On the floor of this House they have said that external borrowings are being used for various developmental purposes, mainly in the fields of agriculture, irrigation, fertilizer, energy, industry, infrastructure, environment, etc. Cannot they provide Rs. 6000 crore over the years, not even in one year? Over four to five years they have to provide only Rs. 6000 crore.

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Out of these borrowings of Rs. 2,32,216 crore—for industry also as they say—cannot they provide Rs. 6000 crore?

The Steel Authority of India Ltd. is modernising all other undertakings except ISSCO for which there is a commitment to the parliament. I am raising a fundamental question. Without taking the sanction of the Parliament can they go in this manner bringing a Bill and trying to get it passed here only on the basis of majority? I would ask my friends on the Treasury Benches. INTUC which is their frontal organisation is opposing it. All the trade unions have jointly opposed it. They have threatened to go on strike. They have threatened that even in respect of other steel undertaking they will take action. Now I would like to know what are the Congress MPs going to do. They have got no commitment.

*(Interruptions)...\**

MR. SPEAKER: It is not going on record.

SHRI SOMNATH CHATTERJEE: I have got a document here dated 17th December, 1993 signed by Shri Gopeshwar of INTUC and by CITU, HMS, AITUC, BMS and IISCO Officers Association, in which they said they are opposing it. This is a unit which can be made viable with only Rs. 6000 crore over the years. When this country has borrowed money in thousands and thousands of crores of rupees, they have got resources. This is a complete sellout and we cannot be a party to this. I would request the Government not to present this Bill, not to introduce this Bill. This will mean declaration of a war against the trade

union and the working class of this country and against the very principle of self-reliance and the principle of public sector, which is destructive. This is against one of the basic features of our Constitution. We shall never be a party to it. We shall oppose it tooth and nail even at this stage.

*[Translation]*

SHRI SATYNARAYAN JATIYA (Ujjain): Mr. Speaker, Sir, regarding the permission for introducing a Bill, concerning Iron and Steel companies in Public Sector. I am to submit that this matter is not limited to the privatisation of the public sector companies only. We too are not opposed to privatisation but under the present situation, the future of workers is linked with the production of these industries as the production in these industries in the outcome of setting up of these in public sector. In my constituency too there is such a unit which is on the verge of its closure. It is almost closed and as a result of it thousands of workers have become unemployed. Now what will be their future, as they do not want to work in this sector without a guarantee. There is no guarantee for those who join the private sector. There is no definite scheme. In such a situation when we want to carry on the discussion by introducing this type of Bill, then we would also be required to look into the fate of the workers of these companies. Instead of improving the whole scheme, or solving all sorts of issues, the suggestions being advanced here by the government, I think, are not correct. It is going to darken the future of workers. The production in these industries is going to be affected adversely. All the trade unions and labour organisations are opposing this Bill and in such a situa-

tion, it is improper to bring such a legislation in the House without negotiating with these trade unions/organisations or without making required improvements in the industries. We are opposed to it. This is what I wanted to submit.

SHRI RAM VILAS PASWAN (Roser): Mr. Speaker, Sir, we already have got certain Standing Committees and you too had announced that before bringing such important Bills in the House, these would be considered in the Standing Committees. Now the Minister has just said that let the Bill may be first introduced in the House and then after its introduction in the House it may be referred to the Standing Committee. I want to emphasise that there are several important issues in the House which have been included in the agenda but we are left with only three more days of the current session. In such a situation it is not proper to waste the time of the House by raising less important issues first. Thus the important issues of national interest, which are not anti-labour or anti-national, should be raised first in the House and the issues which are not going to serve the national interest may be permitted by your goodness later on. This is the only submission I wanted to make... (Interruptions)...

[English]

KUMARI MAMATA BANERJEE (Calcutta South): Let me speak first. (Interruptions) Sir, we are totally committed to the workers. (Interruptions) Sir, please see their attitude. (Interruptions) Sir, we are totally committed to the workers. I have seen the inspiration of the IN-TUC Union also because a copy of the memorandum is in my hands. So, I know the things. Only thing I want to say is that ISSCO has the best location, dedicated

manpower and infrastructure also. ISSCO is a very important organisation. It is a fact that if it goes to the BIFR. The impression is that if it goes to BIFR, it means, it goes for liquidation and that the workers' future will be finished. (Interruptions) Please listen to me. Please let me speak first. (Interruptions) I do not want to politicise this matter because this is a very serious matter. Every worker's interest is involved in this matter. I know that the Government is saying that the govt. is not able to spend money from SAIL because of financial constraints. (Interruptions) But, Sir, I will do whatever will be needed for the workers. (Interruptions) I will not listen to you. My request to the hon. Minister is this. The interest of the workers should be protected. May I know as to what will be the protection to the workers if there is retrenchment? Does the Government has control over SAIL, ISSCO? Will the Government monitor SAIL? I want to listen to the Minister first. He has to convince us first. (Interruptions) Sir, I know the sentiments of the workers. Nobody wants privatisation. The employees do not want this and we also do not want this. But, we have to see it from the practical point of view. That is why, my request would be that first the Minister should convince us as to what action he is going to take to protect the interests of the workers and to save ISSCO. Then, we will allow the Minister to introduce the Bill. Before that please send it to Standing Committee to discuss with the workers and next session Minister may introduce. (Interruptions)

SHRI INDRAJIT GUPTA (Midnapore): With all due respect to you, Mr. Speaker, Sir, at your initiative, you were responsible for introducing or getting introduced this whole system of Standing Committees.

And you yourself had explained to us that one of the principal purposes of



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this system would be that before important legislations are sought to be introduced and before they come to the House, you would like them to be processed through the Standing Committee. Only then they would be brought to the House. Even that is not being done now. This is a matter on which the whole country is agitated. A new step which is unprecedented is being taken on denationalisation of nationalised steel works which would open the floodgate. Therefore, let it be at least processed properly before it is brought here. What is this without a financial memorandum and with a bogus Statement of Objects and Reasons? We cannot accept such a thing, Sir. *(Interruptions).*

MR. SPEAKER: I will explain to you. I do not need any repetition here.

*(Interruptions)*

[*Translation*]

SHRI HARADHAN ROY (Asansol): Sir, this factory is in my constituency. This factory, for which the privatisation Bill is being introduced, was previously in the private sector. But due to mismanagement and lack of investment, the Government took over this factory. At the time of its taking over by the Government, it was said that it would be modernised by making a lot of investment in it. But uptill now neither government had made any investment in it nor it has been modernised. But even then this factory is running in profit. When this factory is running in profit, then why it is being handed over to a private company?

Mr. Speaker, Sir, the Labour Minister, Shri Sangma had said in a tripartite

meeting that no profit making company would be handed over to a private company by the Government. Then why this factory is being handed over to a private company? What a joke is it? The Government's decision to hand over this factory to a private company, is being opposed by all the countrymen and if the Government still persists over its decision then works of the entire nation shall go on a strike. We will oppose this Bill and will not allow it to be introduced here. We oppose this Bill.

[*English*]

SHRI HANNAN MOLLAH (Uluberia): The Minister had promised on the floor of the House that it will never be privatised. Now, it is gross violation of the promise made by the Minister on the floor of the House.

SHRI BASUDEB ACHARIA: Sir, we cannot allow the introduction of such a black and most obnoxious Bill. The issue of IISCO was raised on the floor of the House a number of times and we were assured that Steel Authority of India would take up the modernisation of IISCO. At no point of time, we were told by the Minister and the Government that such a step will be taken. IISCO is an asset which has its coal mines, iron ore mines and good washeries. Best quality of coal is produced by its own washeries. It has a huge infrastructure and the vintage plant workers of IISCO made this unit viable and this unit is on profit for two years subsequently.

MR. SPEAKER: You are going into the merits of it. We are on a different point now. You can say all this at the consideration stage.



SHRI BASUDEB ACHARIA: An expert committee was appointed.

MR. SPEAKER: You can reserve this point with you and make it at a proper time.

SHRI BASUDEB ACHARIA: When the technical member of the expert committee had opposed handing over of such a unit to the private sector, why has the Government taken such a decision? Not a single trade union has supported the handing over of IISCO to the private sector.

MR. SPEAKER: This has been variably argued by your colleague. You don't have to spoil the thing unnecessarily. *(Interruptions)*

SHRI BASUDEB ACHARIA: A commitment was given by the Government, by two Ministers in very categorical terms that at no point of time, would IISCO be handed over to the private sector.

MR. SPEAKER: Mr. Acharia, when you are given time, you have to make relevant points.

SHRI BASUDEB ACHARIA: When SAIL could be modernized, when SAIL could spend Rs. 13,000 crore for the modernization of Durgapur and Rourkela Plants, why should IISCO be privatized? *(Interruptions)*

MR. SPEAKER: Please take your seat. It will not go on record. What Shri Acharia is saying will not go on record.

*(Interruptions)\* ...*

SHRI MANORANJAN BHAKTA (Andaman & Nicobar Islands): In the beginning, IISCO was a private concern. Subsequently, when it became sick and when the management was not good, Government took it over for the sake of the protection of workers. Thereafter, till date, more than Rs. 800 crore is the accumulated loss. Many of its machinery are obsolete. Cost of production has increased. Now, the question is the survival of the unit and the protection of the workers. The General Secretary of the INTUC, Shri Gopeshwar has taken the plea in all forums that the unit should be allowed to exist and the protection of workers must be ensured. There is no doubt about these aspects and we also desire that the workers' interest should be protected. But I am very sorry that a senior Member like Shri Indrajit Gupta should say that it is an anti-national Bill. What is the definition of an anti-national act? There are many public sector undertakings and State Government undertakings in the State of West Bengal, which are now closed... *(Interruptions)*

SHRI INDRAJIT GUPTA: Sir, if you are allowing a full debate, we have got many things to say.

SHRI MANORANJAN BHAKTA: My submission is that this is not the stage to raise objections.

MR. SPEAKER: You are on a completely different point. Now, you must restrict yourself and say why it should be introduced or why it should not be allowed to be introduced.

*(Interruptions)*

SHRI SOMNATH CHATTERJEE:  
Kindly yield for a second please.

SHRI MANORANJAN BHAKTA:  
No, I am not yielding.

SHRI SOMNATH CHATTERJEE:  
Just one minute. The hon. Member has referred to the statement of Shri Gopeshwar. All the Central trade union organisations and their affiliated unions and officers have made it clear that they are opposed to denationalization and fragmentation of IISCO and that the modernization of IISCO must be done by SAIL as was done in the case of other steel plants. Here, I can show his signature.

SHRI P.C. CHACKO (Trichur): At this moment, the question before the House is whether the Bill should be introduced or not. The hon. Members on the other side are saying so many things which amount to misleading the House.  
(Interruptions)

SHRI SOMNATH CHATTERJEE:  
This was on 17th of December. See the signature.

SHRI P.C. CHACKO: Why are they saying all those things here? It is very unfortunate. The Chief Minister of West Bengal himself demanded that one of the units should immediately be handed over for privatization.

SHRI SOMNATH CHATTERJEE: It is absolutely false. (Interruptions)

MR. SPEAKER: Please do not make statements on others' behalf - either on behalf of Shri Gopeshwar or on behalf of the Chief Minister of West Bengal.

SHRI MANORANJAN BHAKTA: My only submission is this.

MR. SPEAKER: It is not a regular speech. You have to be on the point why it has to be allowed or why it should not be allowed.

SHRI MANORANJAN BHAKTA: My submission is that at the stage of introduction, the Bill cannot be opposed. One has to examine the issue on its merits. These can be gone into only when there is a thorough discussion. We can decide the merits or demerits of the Bill only when it is discussed. So, it should not be opposed at the stage of introduction.

I would only request the hon. Minister to clarify whether he has discussed with the State Government. If the State Government wanted to take it over, the Central Government may consider the matter...

(Interruptions)

MR. SPEAKER: Please sit down.

THE MINISTER OF STATE IN THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): Sir, I beg to move for leave to introduce a Bill... (Interruptions)

13.59 hrs.

(At this stage, Shri Haradhan Roy and some other Hon. Members came and stood on the floor near the table.)

MR. SPEAKER: Mr. Malik, I warn you. You are going beyond your limits.

(Interruptions)

MR. SPEAKER: The House stands adjourned for lunch to re-assemble at 15.00 hrs.