

(Fifth Lok Sabha) on Naval Dockyard Expansion Scheme—Ministry of Defence.

- (10) Forty-seventh Report on Action Taken by Government on the recommendations of the Committee contained in their Two Hundred and Ninth Report (Fifth Lok Sabha) relating to Export of Leather.
- (11) Fiftieth Report on Action Taken by Government on the recommendations of the Committee contained in their Hundred and Seventy-third Report (Fifth Lok Sabha) relating to Directorate of Advertising and Visual Publicity.

13.18 hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

TENTH REPORT

श्री चन्द्रब प्रसाद वर्मा (झारखंड) :
I beg to present the Tenth Report of the Committee on Private Members' Bills and Resolutions.

COMMITTEE ON SUBORDINATE LEGISLATION

FOURTH REPORT

SHRI SOMNATH CHATTERJEE (Jadavpur) : I beg to present the Fourth Report of the Committee on Subordinate Legislation.

COMMITTEE ON GOVERNMENT ASSURANCES

FIRST REPORT

SHRI YAGYA DUTT SHARMA (Gurdaspur) : I beg to present the First Report of the Committee on Government Assurances.

13.13 hrs.

*PUBLIC SECTOR IRON AND STEEL COMPANIES (RESTRUCTURING) AND MISCELLANEOUS PROVISIONS BILL

THE MINISTER OF STEEL AND MINES (SHRI BIJU PATNAIK) : I beg to move for leave to introduce a Bill to provide for restructuring of the iron and steel companies in the public sector so as to secure better management and greater efficiency in their working and for matters connected therewith or incidental thereto.

MR. SPEAKER : Motion moved :

"That leave be granted to introduce a Bill to provide for restructuring of the iron and steel companies in the public sector so as to secure better management and greater efficiency in their working and for matters connected therewith or incidental thereto."

SHRI C. M. STEPHEN (Idukki) : Sir, I oppose the introduction of this Bill on two grounds, one technical and the other substantial. Coming to that technical aspect, while going through the Bill I find there are certain provisions which provide for delegation of power, e.g. power to alter the conditions of service of employees, power to form association of companies, power to remove difficulties, power to alter the share structure of the companies by notification. These, according to me, are delegatory powers but I find there is no memorandum attached to the Bill, which gives details of the powers of delegation contemplated or incorporated in the Bill, which is one of the mandatory provisions.

Then, this Bill provides for taking over of certain companies : it is not exactly taking over, but companies which are today under the management of SAIL will become independent companies, directly under the control of the Ministry. But there is no financial memorandum. I do not know. I would like to get some light on this point. Is it the contention of the Minister that when these companies, which were being managed by SAIL so far, will be taken over by the Ministry, there will be no additional expenditure, no additional staff, nothing of that sort ? Apparently, it will involve an additional expenditure, in which case there should be a financial memorandum,

[Shri C. M. Stephen]

or they should say that there is no financial expenditure. Neither of these memoranda is appended to this Bill. Therefore, the Bill as presented to the House is defective on the technical ground I am pointing out, which of course can be rectified with your permission. He can subsequently do it. I am pointing it out so that the Minister may look into it.

Then I come to the substantial ground. I want to draw the attention of the Members on both sides, irrespective of party affiliation, that this Bill represents a major deviation from a vital policy in an extremely vital area of national interest. Steel production is an area of vital interest for us. We know the past history upto 1962. Although we had the steel plants at Durgapur, Bhilai and Rourkela, production remained stagnant around 4 million tonnes. A committee was appointed, it went into the structuring of it, it produced certain proposals and those proposals resulted in the formation of SAIL. The idea was that these companies together and the companies dealing with the inputs, namely, designing, construction, coal supply, they will all come under SAIL so that there can be coordination. The manufacturing concerns need not go to the Ministry or other people, they have nothing to worry about, the supply of the inputs will be the concern of SAIL. That sort of arrangement was brought about. The result was that in 1973-74 production went up by 19 per cent. In 1974-75 it went up further and in 1975-76 still further. As against the 1973 figure, today our production has almost doubled as a result of this streamlining.

There is one element in this Bill which is welcome and another element which is absolutely unwelcome. The welcome element is that the different steel plants which are autonomous units now under separate managements are to be brought under a single management so that sufficient coordination takes place. This is welcome.

the other hand, a very dangerous thing is now being done. The NMDC, MEKON, the refractory, HSIL—all these companies which are today under SAIL, looked after by SAIL, are now being taken apart and put directly under the Ministry. According to me this is a very mischievous move which will be disastrous in the matter of the totality of our production. We will go into the exact reason for this at the consideration stage.

We are today in a position of competing with international concerns.

MR. SPEAKER : Will that not be more relevant at the time of considering the Bill ?

SHRI C. M. STEPHEN : We were importing Rs. 400 crores worth of steel. The position has been reversed. We are importing Rs. 50 crores of fine steel today and exporting steel to the extent of Rs. 400 crores. This is because of the streamlining. But the reverse gear is going to be applied now. If these areas are going to be put directly under the bureaucratic machinery, corruption will be rampant, things will become difficult, co-ordination will collapse, our competition overseas with the Germans and the Japanese in particular will become easily affected, and we will be pushed back. This will be the result.

For example, this is very widely known that in the NMDC there is an area known as Babubegan which was investigated for iron ore—everywhere, when you take over, investigation takes place—for which about Rs. 3 crores, I understand, was spent by NMDC. Now it is reported widely, and deputations are coming, that this particular thing is sought to be handed over to Chowgule. Many stories are afloat. If this story is correct and Chowgules get this, they will be getting the advantage of Rs. 3 crores which was spent for the purpose of prospecting. So, it is a move against the public sector, against a very vital area, where we will be wiped out in the international field. So, I would like to know what the policy of the Government is.

I find dismemberment of SAIL, dismemberment of CSIR, dismemberment of Samachar and dismemberment in the matter of recruitment by the nationalised banks. Everywhere dismemberment is taking place to the point of misintegration. This is a major adverse reversal of a national policy which will affect our self-sufficiency, which will make us subordinate to international cartels, a major reversal of a policy which has proved to be beneficial. I, therefore, oppose the introduction of this Bill.

THE MINISTER OF STEEL AND MINES (SHRI BIJU PATNAIK) : Sir, I do not wish to have a lengthy discussion. That will come at the consideration stage. But for the benefit of the hon. Member who has raised certain objections, let me first inform him that there is no need for a financial statement because there would be no expenditure involved from the Consolidated Fund of India.

Secondly, with the steel companies or steel factories construction in over

two years coming to an end, the Hindustan Steel works Construction Ltd. would undertake several other works not connected with steel. In fact, they are already engaged in more work not connected with steel than with steel. in steel Plants like Bokaro and Bhilai. Very soon, they will have to wind up from there. We are looking for foreign partners for them to take work in third countries. Therefore, the purpose of putting that company as an appendage or a part of the steel plants will not be beneficial to the construction company which employs a large number of people and which has to find work both inside India and outside India.

SHRI C. M. STEPHEN : And help the Dastur & Co.

SHRI VAYALAR RAVI (Chirayinkil): Why encourage the Dastur & Co.?

SHRI BIJU PATNAIK : I am talking of construction works. The Dastur & Co. is not a construction company.

SHRI VAYALAR RAVI : It is a designing company.

SHRI BIJU PATNAIK : The HSCL is a contracting company; it is a construction company.

Then, the MECON are a design and construction company. This company is also taking work in international market, like, in Nigeria and other countries. It is taking a large number of work for steel plants. All over the world, the designing companies, the design consultants, are separated from the producing companies. They have then a great viability. It is so all the world over. They are supposed to be an independent authority, like a judicial authority. They take a designing contract and they do it. If they are a part of the producing company, then it will have an adverse effect. If the steel plants do not come up rapidly, then MECON will have hardly any work in India. Therefore, they have got to look forward to works outside India. I am happy to say that I will be able to give them a lot of work in the third countries. It is for this reason that MECON has been made an independent authority.

Similarly, about refractories, first they were captive refractories. Now, they are expanding in a large way. The largest plant will be at Bhilai itself. But a separate company outside the SAIL is thought of because it is to sell a large part of its products outside steel group itself.

The hon. Member has agreed to the major thing and that is the integration of the steel plants. The holding company idea was started by my predecessor, Mr. Kumaramangalam. I am only taking it up to a final stage of making one company. It is not a part of the Ministry. It will be a separate company. Instead of a holding company, it will be an owning company with full authority to deal with the production of steel.

The NMDC, the major supplier of iron ore to the steel plant, is being separated from there to make it a captive mine of the steel plant. It will come under SAIL. So, the hon. Member need not have any fear that this company is being taken away by some bureaucrat or an administrative Ministry. The NMDC was only dealing with iron ore mine. The Government has decided to give them other non-ferrous areas, like, aluminium, chrome, tin, manganese and whatever other things come in other non-ferrous areas also. They have got also to develop a consultation service because we get demand from various developing countries to send consultancy service from here for mine planning, as is called, in which we have a certain amount of weakness. We have to build that up :

These are the various considerations. It will only increase the efficiency of the entire thing. I would request the hon. Member not to raise his objection to the introduction of this Bill.

SHRI C. M. STEPHEN : The point I was making was this: here was a particular set-up tried in the course of three years and found to be absolutely beneficial in this result....

MR. SPEAKER : You can raise it during the debate.

SHRI C. M. STEPHEN : Why then did you find it necessary to have a different set-up? I would also like to be enlightened....(Interruptions).

MR. SPEAKER : Not now. There is a stage for it, later, when you can raise it.

The question is :

"That leave be granted to introduce a Bill to provide for restructuring of the iron and steel companies in the public sector so as to secure better management and greater efficiency in their working and for matters connected therein or incidental thereto."

The motion was adopted.

SHRI BIJU PATNAIK : Sir, I introduce * the Bill.

13: 28 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

13: 28 hrs.

MATTERS UNDER RULE 377

MR. DEPUTY-SPEAKER : Matters under Rule 377. Mr. Ram Gopal Reddy, He is not here....

SHRIMATI PARVATHI KRISHNAN (Coimbatore) : Sir, I want to make a submission.

13: 25 hrs.

RE : QUESTION OF PRIVILEGE

श्री कंवर लाल गुप्त (दिल्ली सदर) : अध्यक्ष महोदय, मैं आपका ध्यान रुल 223 की तरफ दिलाना चाहता हूँ। जो मैंने श्रीमती इंदिरा गांधी के खिलाफ प्रिविलेज मोशन दिया है, उसके बारे में मेरा कहना यह है कि उन्होंने इस हाउस को मिसलीड किया है— एमबेसी की प्रभुत्व लेने के लिए जो तथ्य उन्होंने बताये हैं कि प्राइस राज है, ला एण्ड आर्डर की प्राबलम है।

MR. SPEAKER : You yourself told me that you would produce additional material which you have got. Again you want to raise it....

SHRI KANWAR LAL GUPTA : I have given every detail to you.

MR. SPEAKER : Merely your giving is not sufficient. I have to look into it.

13: 26 hrs.

ELECTION LAWS (AMENDMENT)

BILL**

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS (SHRI SHANTI BHUSHAN) : Sir, I beg to move for leave to introduce a Bill further to amend the Representation of the People Act, 1951 and the Indian Penal Code.

MR. SPEAKER : The question is :

"That leave be granted to introduce a Bill further to amend the Representation of the People Act, 1951, and the Indian Penal Code."

The motion was adopted.

SHRI SHANTI BHUSHAN : Sir, I introduce the Bill.

श्रीमती मृणाल गोरे (बम्बई उत्तर) : अध्यक्ष महोदय, मैंने भी रुल 377 के अधीन मंत्री महोदय को ग्यान देने के लिए एक नोटिस दिया था जिसका जवाब मंत्री महोदय देना चाहते हैं।

MR. DEPUTY-SPEAKER : If the Minister wants to reply, he can inform the Speaker and reply tomorrow.

श्रीमती मृणाल गोरे : मैंने स्पीकर साहब को इफार्म किया था कि आप मंत्री महोदय को रिप्लाई देने के लिए कहें। यह मैंने 14 तारीख को कहा था। जिसके लिए मिनिस्टर साहब ने भी श्री श्री स्पीकर साहब ने भी एपी किया है।

MR. DEPUTY-SPEAKER : Under rule 377, if the Minister wants to reply, the procedure is, he can inform the Speaker and then reply. Unfortunately, he has not informed the Speaker. If he wants to reply, he can inform the Speaker and reply tomorrow, if he wants.

स्वास्थ्य और परिवार कल्याण मंत्री (श्री राज नारायण) : उपाध्यक्ष महोदय, अगर किसी स्तर पर माननीय सदस्या ने किसी चीज के बारे में कोई जवाब मांगा है तो मैं जवाब देने के लिए तैयार हूँ। मैं तो सदा जवाब देने के लिए तैयार रहता हूँ।

उपाध्यक्ष महोदय : नहीं नहीं, 377 में इस तरह से नहीं किया जाता है।

*Introduced with the recommendation of the President.

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