

MR. DEPUTY-SPEAKER: The question is:

"That Clauses 2, 3, 4 and 1, the Enacting Formula and the Title stand part of the Bill."

The motion was adopted

Clauses 2, 3, 4 and 1, the Enacting Formula and the Title were added to the Bill.

SHRI PRANAB KUMAR MUKHERJEE: I beg to move:

"That the Bill be passed."

MR. DEPUTY-SPEAKER: The question is:

"That the Bill be passed."

The motion was adopted

14.25 hrs.

INDIAN IRON AND STEEL COMPANY ACQUISITION OF SHARES BILL

THE MINISTER OF STEEL AND MINES (SHRI CHANDRAJIT YADAV): I beg to move:

"That the Bill to provide for the acquisition of certain shares of the Indian Iron and Steel Company Limited with a view to securing the proper management of the affairs of the Company and the continuity and development of the production of goods which are vital to the needs of the country and for matters connected therewith or incidental thereto, be taken into consideration."

Mr. Deputy-Speaker, Sir, in view of the urgency of acquiring the shares of the Indian Iron and Steel Company and initiating the necessary action for financial assistance to the company, an Ordinance was promulgated on 17th July, 1976, acquiring the shares of the Company

held by all non-Government parties. Excepting the public institutions, all shares have been acquired, according to that Ordinance.

Before I make my observations, I would like to point out that certain amendments have been made in the Ordinance to facilitate the work of the Commissioner and also to provide certain facilities and remove difficulties which may unnecessarily accrue. Therefore, certain amendments have been made in Section 9, Clause 7 and Section 12 of the Ordinance which are incorporated in this Bill. After this Ordinance, the position will be like this. In IISCO, the shares of the Government will have predominance; it will become exactly a public undertaking company. Now, the shares held by the Government would amount to 57.32 per cent of the equity share capital and 60.55 per cent of the preference share capital. At the same time, protecting the interest of the public institutions, the remaining shares would be distributed as follows: LIC will have 29.74 per cent; UTI will have 7.73 per cent; nationalised general insurance companies will have 1.96 per cent; SAIL equity percentage will be 5.18; the State Government, Bengal, will have preference shares 0.02 per cent and equity shares 0.01 per cent. This makes very clear that these companies will now become entirely public undertaking companies, and therefore, there will be no private company or private individual share in this Company.

The history of the Company is well-known. The production of the Company was deteriorating very fastly four years before and the Management was showing a gross negligence; rather I should say that they were completely bent upon destroying this Company. They were not taking any care for its maintenance. There was no scheme for rehabilitation. Even the interest of the workers was suffering. The Gov-

*Moved with the recommendation of the President.

[Shri Chandrajit Yadav]
ernment could not be only a silent spectator when the steel industry has a very important position in our economy. Therefore, the Government, at that time, taking into consideration the national interest, decided to take over this Company.

Certain figures will show how bad was the condition when the Government, really speaking, stepped in and took over this Company. Before its take-over, I will give you the figures of three months of its production. In April 1972, the Company was producing 48.53 per cent of its utilization capacity; in May, it further reduced to 40.74 per cent of its utilization capacity; in June, it came to as low as 13.52 per cent of its utilization capacity. Therefore, the figures will show that the Company was almost going to be closed and it would have rendered thousands of workers jobless and also destroyed a very important factory which would have otherwise served the interests of the nation. In this situation, on 14th July 1972, the Government took over the Management of the Company and later on this period was extended. Since the Government took over this Company, the Central Government has been managing this Company through a Custodian and later on through an Administrator. Now-a-days, we have a top executive as the Administrator of this Company. During these years, certain very important steps were taken. A rehabilitation scheme, along with certain other improvement steps, has been taken up and social activities have also been taken up for the social welfare of the workers. There was a Committee appointed to go into the details and to work out a rehabilitation scheme for the Company. A scheme was prepared and a Technical Committee estimated that about Rs. 43 crores will have to be invested in the rehabilitation scheme. Up till the end of June 1976 the total expenditure on the scheme amounted to Rs. 37.74 crores. Due to the inflationary mar-

ket forces and higher prices, the earlier estimate has been revised and it has gone up to Rs. 55 crores, after deleting the items which were to be taken up separately. The Company has asked the Government to make available to them Rs. 30 crores interest free, up to 1970-71 so that necessary steps could be taken to complete the rehabilitation scheme of the Company. The total amount of loans taken by the Company was about Rs. 93 crores, of which loans from the Government amounted to about Rs. 8 crores. The interest burden on the Company was also very high as the Company had to pay annually about Rs 10 Crores as interest. If this trend had continued, after three years the Company would have had to pay Rs 14 crores per year as interest. This was the situation and, 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. Really speaking, they had no interest and they were callous to the Undertaking and to the workers also.

Though efforts have been made, I should say that we have still not reached a very satisfactory level because, though a lot of work has been done, the rehabilitation scheme is still in operation and the Company is facing a very serious financial crisis. Therefore the Government had to step in and the Government could not invest money unless and until the Company was in Government hands. Taking all these factors into account, this Ordinance was promulgated and this Bill is now before this hon House. During these four years, all efforts were made to increase the utilisation capacity of the Company. As I had said, just before the take-over, the utilisation capacity had reached as low a percentage as 13 per cent but during last year, i.e. the outgoing financial year 1975-76, the Company produced 63 per cent of the utilisation capacity and, in the current year, the targetted production is 68.5 per cent of the capacity. Very

recently, I had a meeting, when we tried to sort out certain important problems and also take care of the financial aspect. On this, we had a discussion with the Planning Commission and the Finance Ministry. Later on I told the Management that they should not feel satisfied that they have reached 68.5 per cent of utilisation capacity and that they should try to exceed this target, and the Management has assured me that every possible effort will be made not only to fulfil the target but to exceed it.

This Company has about 22,000 workers working at Burnpur, about 8,000 workers at Kulti, about 9,000 workers in coal-mines and ore-mines, and about 400 workers at Ujjain—IISCO Stanton. Certain questions may be raised that they are still contract workers. We are taking care of them. The latest figures show that there are 2,100 contract workers who have to be departmentalised. We have decided certain things with the major trade union in the Company. Certain schemes have been worked out, certain formula has been agreed to, and according to that formula, out of 2,100 workers, 540 workers have been already absorbed as permanent workers, and steps are being taken to see that, during this current year, 800 more workers are absorbed as permanent workers; after negotiating with the trade union leaders, we will take the necessary steps to absorb also the rest of the workers who are engaged in those works which are of permanent nature.

A programme has been worked out to bring this Company to its normal health. I am sure, as other sister steel plants, during the last one year, they have done very well; this is now becoming a public undertaking and is joining the family of the public undertakings in the steel industry—this plant also will do well; we will take all possible steps which are being taken in other steel plants. A Consultant has been appointed,

and he has been asked to make a study and prepare a feasibility report, whether we can go for expansion of this plant. We are expecting that, by the end of October or in November, we will get the feasibility report, and after making a careful scrutiny of that feasibility report, Government will take a decision whether we can go from one-million-tonne plant to two-million-tonne plant. The decision will be taken only after we get the feasibility report and after seeing the financial position and resources position of the Company and how far Government will be able to provide help.

For a very long time, there has been a demand from the workers that the workers have not been given enough accommodation facilities. This is a fact. While in public sector undertakings, more than 75 per cent of the workers are living in the Company's quarters, in this Company only 25 per cent of the workers have been given quarters. Very recently we have taken a decision, and I am glad to inform the House that a scheme is being worked out at a cost of more than Rs. 2 crores; in four phases, we are going to construct 1,260 quarters for the workers at Burnpur and Kulti. Certain other steps have also been taken; electricity facilities, hospital facilities and certain other community facilities have been provided very recently. Really speaking, we could not do much in that respect because as I said, the Company itself was facing a very serious financial crisis, but within the resources available to the Company, we have taken all possible care during the last 4-5 months to see that the workers of the Company get the minimum facilities which should normally be made available to them.

While in the other steel plants we have been able to implement the workers' participation scheme and shop-level committees have been formed and they are working to the satisfaction of both the Management

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and the trade unions, unfortunately in this Company we have not been able to implement the workers' participation scheme. But the negotiations are going on with the four major trade unions in this respect. However, there are certain committees working at the plant level, for example joint industrial relations committee and joint production committee. I have given a very clear-cut direction to the Administrator that he should have negotiations with the major trade unions so that the workers' participation scheme could be implemented as early as possible in this Plant also. I have been assured by both the trade union leaders and the Management that necessary steps will be taken in this regard soon.

These are the main features which, I thought, I would indicate before the hon Members expressed their views. I would very much welcome their constructive suggestions; I would only request the hon Members to appreciate the difficulties which the Management had to face and the level to which the Company had reached. We had, really speaking, to make a very gigantic effort for the rehabilitation of this Company and now the Management and the trade union leaders feel quite confident that they will not only reach the target of 68 per cent rated capacity, but they will go upto 70 per cent rated capacity and the day will not be far off when this Company like other Steel Plants should also reach the minimum rated capacity of 90 per cent.

With these words, I would invite suggestions from the hon. Members.

MR DEPUTY-SPEAKER: Motion moved:

"That the Bill to provide for the acquisition of certain shares of the Indian Iron and Steel Company Limited with a view to securing

the proper management of the affairs of the Company and the continuity and development of the production of goods which are vital to the needs of the country and for matters connected therewith or incidental thereto, be taken into consideration".

We have allotted two hours for this discussion, out of which the Minister has taken almost twenty minutes. There is a balance of one hour forty minutes and I have before me a list of ten speakers. I would only request the Members to keep that in mind when they speak, especially Shri Dinan Bhattacharyya.

SHRI DINAN BHATTACHARYYA (Serampore): Mr. Deputy-Speaker, Sir, so far as I know, when this matter was discussed in the Business Advisory Committee, we pressed that three hours should be allotted for this. I do not know actually what was the ultimate result.

Sir, I welcome this Bill, no doubt, but because of some clauses inserted in it, I cannot give my unconditional support to it. The Bill is, of course, a welcome measure.

In 1972 when the Management was taken over by the Government, I remember, the late Shri Mohan Kumaramangalam had assured the House that he was not taking over this Management to hand it back in a healthy condition to the original owners and that has come to be true now. These are all facts. This Company was one of the biggest companies in India and since 1953 to 1971 its subscribed capital increased four times, i.e. from 788 crores to 27.5 crores. The reserves also increased seven times from Rs 611 crores to Rs. 42.44 crores and twice they issued bonus shares to its shareholders. The total dividend paid prior to taking over was Rs. 23.71 crores. So, my question is: when this is the fact, how do you justify giving Rs. 7,23,95,137.15 to the shareholders as compensation. Now, you have used

the term 'compensation' because there is some legal difficulty in it. Still, you have to pay this large amount as per this Bill to the shareholders. My point is that whatever these shareholders invested they have got back more than that and I do not find any reason and I do not know. The Minister should, therefore, make it clear to the House whether the same Martin Burns, Sir Biren were involved here and the rest of shares were held by the private shareholders as *benamidars* of Sir Biren and whether in an indirect way this money will be given to Sir Biren who, I will say, is a very important industrialist who got sufficient patronage from the Government. Before taking over, so far as I remember, Mr. Mohan Kumaramangalam stated here that nearabout 50 per cent of the money was given from the financial institutions of the Government of India and if it is so, how will the Minister justify giving this amount to the shareholders?

Further more, he has given a detailed picture of how he wants to rehabilitate the plant and a committee was appointed. I do not know whether it was a one-man committee, whether our experts or some experts from abroad would be brought and when would the report be ready for an early implementation of the plan of rehabilitation so as to enable it to manufacture the type of special steel that our country is in need of. I have not been able to grasp this idea as to what will be the financial structure of this company as it is a public sector undertaking. Still there are some ifs and buts. So that point may be made clear when he gives his reply.

Coming to certain other points, so long it was under a Board and still it will be under a Board of Management. The Administrator will no doubt be there and who is that person? And how is he connected with the old management? That point also should be made clear to us because we have every doubt that in these cases we have seen that the old managements

somehow or other manipulate in such a way that they gain the advantage of the persons who might be posted at the head of the industry. So that point should be made clear so that there may not be any chance of any doubt regarding the performance of the Administrator of the Board.

Coming to two or three other points—because you have asked me to finish within ten minutes—

I am not always unhelpful to you.

MR. DEPUTY-SPEAKER: Now you are.

SHRI DINEN BHATTACHARYYA: In this Bill we do not find any figures. In Kulti, Raniganj and Ujjain, a large number of employees are there who were working before the take over and who are working today. You have not provided any clause to ensure continuity of their service. There is no guarantee given by the Act in regard to the fate of their service. The Minister has stated that he will try to bring the conditions prevailing here at par with those in other steel plants. I do not know when it will be done. So far as my knowledge goes these people are getting less wage and less incentives in comparison to Alloy and other steel plants. The scheme may be made clear to us.

The arrears due to the employees should be the responsibility of this management which is a public undertakings management. Arrears due to the employees should be duly taken care of and they should not be deprived of their due. I emphatically demand that all the arrears must be fully paid to the employees who were working and who are working. This may be either gratuity or retirement or any other wages including provident fund.

This company did not pay their dues fully in regard to the provident fund. So, what will be the rate of the employees who are working here? No provi-

[Shri Dinen Bhattacharyya]

sion is there. So, we want to hear regarding this.

Coming to the other point, I may say that the industrial relations are not at all good. The Minister will remember that I met him twice in this regard. In the Burnpur refractories you are getting profit. The wages of the employees were decided long back. In the meantime the wages of the other employees have gone up but so far the wages of the employees of the refractories in Ramganj have not been increased. They met the Minister and the State Minister, but nothing has been done. I do not know what sort of Committee you have formed. The Committee might be there to see how to increase the production but not to see the other aspects of the management. My point is you have formed the shopfloor level committees in Burnpur, but what about the access of the employees in so far as inventory, purchase and other aspects of the management are concerned? If they are not given any access to that, how can you satisfy that the workers are getting more and more involved in the management of their concern? That point should be made clear. These workers should get access to all aspects of management. Regarding the contract labour Government has taken a decision progressively to reduce it. But what is the progress? Here is an example. It is a public undertaking company. In 1974 you took over this. It appears that 500 contract labour have been taken in the management role but I do not know about the actual number. So far as contract labour is concerned, every day there is dispute and hundreds of such disputes are still pending. Mr. Malaviya brought the original Bill and now Mr. Chandrajit Yadav is bringing in the Nationalisation Bill. Every time it is stated that the management is guilty. If it is so, why don't you prosecute them? What happens is, the Government takes it over and they go scot free. Why are you so soft towards people who indulge in corruption and all sorts of criminal

offences? Why are you soft towards Sir Biren who did this not only in this case of IISCO but also in the case of Martin Railway, where thousands of workers have been turned out of jobs and their dues have not been paid. Why are you taking this sort of soft attitude towards management? I don't know. This point may be clarified by the hon. Minister while replying to the debate.

सरदार हर्ष सिंह लोखी (जमशेदपुर):

उपाध्यक्ष महोदय, यह जो इंडियन आयरन ऐंड स्टील कम्पनी (एक्वीजीशन आफ शेयर्स) बिल लाया गया है इस के लिए मैं मंत्री महोदय को हार्दिक धन्यवाद देता हूँ। 1972 में जब इसके टेक ओवर का सवाल उठा था, उस समय श्री मोहन कुमार मगलम माहब स्टील मिनिस्टर थे और तब मैं ने कहा था कि इस को आप सीधे ले क्यों नहीं लेते हैं। हम के अन्दर इतना डिमसमेनजेंट है, हम को आप थोड़े दिन के लिए ले रहे हैं, हम का कोई फायदा नहीं होगा और आज वह दिन आ गया है जब आप को इसे लेने के लिए पाना ही पड़ा है। तो इस तरह की बातें जो हम लोग कहे उन पर आइंदा आप विचार किया करें।

15 hrs.

यह जो 7, 23, 95, 133 रुपए शेयर होल्डर्स को दे रहे हैं यह जरूर देने हैं लेकिन यह शेयर-होल्डर्स कौन कौन हैं इस को आप देख लीजिए। ये शेयरहोल्डर्स कौन लोग हैं, इस में पब्लिक के लोग भी हैं या कैसे हैं इस को आप देख लीजिए। जब हम ने कांस्टीट्यूशन मोडेंड कर दिया है 1972 में तो उन को एक टोकन कम्पेन्सेशन 1 रुपया देना सफिस्टेड था। अगर ऐसा मामूला पड़ता है कि जो प्रमेडमेंट हम ने किया उस का फायदा आज तक वचरनेट ने नहीं उठाया है। इसको आप देखें। आपने 80 करोड़ की रकम मान ली है जिस से 1990-91 तक प्लांट को बनाना है लेकिन प्लांट के बारे में आपने कुछ भी नहीं कहा कि उसकी क्या हालत है। थोड़े दिनों पहले मैंने उसको विजिट किया था और मैं आपकी कताना

चाहता हूँ कि क्या क्या चीजें वहाँ पर करनी हैं। यह मेरे सुझाव हैं। बने तो आपकी निगिस्ट्री बहुत अच्छा काम कर रही है, प्लांट को उन्होंने जरूर अच्छा बनाया है। जहाँ तक मुझे याद है 1972 में जो रिहैबिलिटेशन का सवाल आया था उसके लिए हमने 22 या 23 करोड़ मगन किए थे। आपने 1973 में जो प्लांट रिहैबिलिटेशन की स्कीम बनाई उनमें 43 करोड़ का एस्टीमेट किया जो कि इस समय 55 करोड़ का हो गया है। अभी रुपये 12 करोड़ का हिमाब लगाना है कि वह कहा में लाकर देना है। अभी जो वहाँ के काम हैं वह बहुत अधूरे हैं। आपने चार्जर प्लांट का उद्घाटन किया था लेकिन मैं मसला यह प्लांट के बारे में आपने स्टडी नहीं की है। इसको आप ठीक तरह में देंगे नहीं तो कही कहीं आपसे ठगबाजी भी हो सकती है। कई तरह की बाने होती हैं। कई बार घर पर ही बेवकूफ बना देने हैं। आपने प्लांट में जो मैटिरियल हैंडलिंग फैसिलिटीज हैं वह कई अच्छी हालत में नहीं हैं। कोर-प्रोबेन्स की बैटरी बन रही है, हाट स्ट्रिप की रिपेयरिंग करनी है। इस तरह बहुत से अधूरे काम हैं जोकि ठीक में नहीं हो रहे हैं। क्वास्ट फॉरसे ग्रीन की बिल्डिंग भी बनानी है। कन्वेंशन का स्टील वर्क भी करना है। कई जगह आपने पुराने मशीनरी को लिया है और नई मशीनरी भी लगानी है। हमने देख-रेख बहुत जरूरी है ताकि कही आइदा बड़ा नुकसान न हो जाये। बर्नपुर में ऐसा भी हुआ है कि क्वास्ट फॉरस नं० 2 और 3 बैठ गई मिस-मैनेजमेंट की वजह से। इसी तरह से कैप की बात है और रोलिंग मिल्स में बहुत सारा काम अधूरा पड़ा है। इन चीजों को आप देखें।

दूसरी बात मैं यह कहना चाहता हूँ कि जब हमारे हिन्दुस्तान में मारी चीजें बन जाती हैं तो फिर बाहर से इम्पोर्ट करने की क्या जरूरत पड़ गई? मिलाव को ठीक पर कोर सीकेन्स को लिए आपने एक्वायिजिशन, बाद में मगा रहे हैं। इस तरह जो आप आर्डर प्लेस करते हैं कई जगह आपने आर्डर प्लेस किया है तो बाहर में मगाने की क्या जरूरत है जबकि यहाँ पर सारा प्लान्ट बन सकता है। मिफं टाइमली आर्डर देने की जरूरत रहती है।

इस तरह में आप आक्विजिशन को पावसे जो देते हैं लेकिन साथ-साथ आप देख-रेख करें कि वे क्या काम करने हैं। इस काम के लिए आप कोई मॉल बनायें। आपके प्लांट में इन्वैस्ट फॉरस, मैलिगनाय वगैरह का काम बार्क है।

इस वकन बहुत में काम बड़ा अधूरे पड़े हैं। आपके पास इसकी जेनरल डिटेन इस वकन मीज़ू नही है, इस लिये आपने प्लांट के बारे में अपनी स्पीच में कुछ नहीं कहा। आप 80 करोड़ रुपये लेने जा रहे हैं, आप को बनाना चाहिए था कि आप उसको कैसे खर्च करेंगे। मैंने कहा देखा हूँ—पावर प्लांट का सामान आ कर पड़ा हुआ है, लेकिन इन्वैजेशन नहीं हो रहा है। आप को देवना चाहिए कि उर्वकान में देरी क्यों हो रही है? इस में कोई शक नही है कि आप ने पहले से काफ़ी प्रोग्रेस की है, 1976 में आप एक मिलियन टन का टारगेट एर्बव करने जा रहे हैं, लेकिन टारगेट आप तबई एर्बव कर सकते हैं जब आप एन्ट्री कर इस काम में लगे रहें।

आपने बाहर में बुल-डाउम मंगाये हैं—क्यों आप के यहाँ भाग्य अच्छे मूकई है जो बन-डोजर बना कर दूसरों को मप्लाई करता हूँ, आप उस से क्यों नहीं लेते हैं? आप के आक्वियर ने बाहर में खंजने के लिये लिखा और आप ने मन्जूर कर लिया। कोई भी खंज बाहर से नहीं आनी चाहिए, जो खंज यहाँ पर बनती है, यहाँ से ही खेनी चाहिये। मैं यह तो नही कहता कि आप के आक्विजर ईमानदार नही है, लेकिन लाखों रुप के आर्डर उन आक्विजिटों ने बाहर प्लेस करके

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[सरदार स्वर्ण सिंह सोबी]

दिये, जरूर कोई बात होगी। इस लिये मैं चाहता हूँ कि जहाँ तक हो सके अपने घर में ही आर्डर प्लेस करे।

मैंने इस बात का पता लगाने की कोशिश की कि यह कारखाना जो कि किसी ज़माने में टायर का कारखाना था इतना नीचे कैसे गिर गया। मुझे मालूम हुआ कि आप का "चासनाला" ही उस को ले डूबा, इस कारखाने में 40-50 करोड़ रुपये इस चासनाला कोलिमरी में लगा दिया, जिस की बजह से यह फर्म डूब गई। चासनाला को तो शायद अब आप भुल ही चुके हैं अब उस का कहीं भी जिक्र मुनाई नहीं देता है कि वह कब चालू होगी। चासनाला के अफसरों के बारे में तो मैं पहले ही कह चुका हूँ इस वक़्त और ज्यादा क्या कहूँ—मेरे ख्याल में यह चासनाला एक तरह में घेब-याई है। इस के ऊपर ठीक से पया खर्च किया जाना चाहिये जो रुपया एक बार लग जाता है फिर वह वापस नहीं आता है इस लिए बहुत सोच समझ कर इस पर आगे रुपया लगाये। आपने इस वक़्त 80 करोड़ रुपये की मांग की है, लेकिन मेरा ख्याल है इसमें आप का परा नहीं पड़ने वाला है बहुत जल्दी ही आप और ज्यादा रुपये की मांग लेकर आयेगे—रुपये की तो कोई बात नहीं है, चाहे जो खर्च हो लेकिन, आखे मत कर खर्च करने से काम नहीं चलेगा।

आप के यहां जो सप्लायर्स हैं, जो इसका माल खरीदते हैं, वे बैंक ईशू कर देते हैं और माल ले जाते हैं, उस के बाद अफसरों से मिल कर तीन-तीन महीने तक बैंकों को प्रोजेक्ट होने से रुकवा देते हैं। तीन महीने के अन्दर वह आप का माल ले जा कर बेच लेते हैं और उस से कमाई कर लेते हैं—आप चाहें तो मैं बैंक नम्बर भी दे सकता

हूँ। आप के आफिसर्स से मिलकर, हो सकता है उस में क्लर्क भी शामिल हों, ऐसा काम होता है—इसके बारे में आप को सावधानी बरतनी चाहिये और इंस्ट्रक्शन्स बीजिये कि ऐसा न हो।

कुन्टी का जो प्लाट है—जो इस कारखाने का सबसीडियरी है—100 साल से ज्यादा पुराना प्लाट है और बहुत अच्छा काम कर रहा है। वहां के वर्कमें भी अच्छा काम कर रहे हैं और आफिसर्स भी अच्छा काम कर रहे हैं। उस को देख कर मुझे बहुत खुशी हुई। इस प्लाट में थोड़ी अच्छी मशीनरी लगाने की जरूरत है, इस को थोड़ा रेनोवेट कीजिये। वहां के आफिसर्स जिकायन कर रहे थे, और वहां पर कुछ मशीनें बगैरह प्रोवाइड कर दी जायें तो वहां पर और ज्यादा अच्छा काम हो सकता है। पिछले दिनों उन को आयरन-और मल्वाई नहीं हो रहा था, आप के एडमिनिस्ट्रिटिव आफिसर ने आर्डर दिया तो मल्वाई हाना शुरू हो गया। छोटी छोटी बातों के लिये नुकसान हो जाता है, वक़्त पर कोई चीज न मिले तो काम रुक जाता है। जो मशीन चलती है उसे तो 24 घण्टे रा-मैटिरियल चाहिये, अगर उस में माल नहीं डाला जायगा तो नुकसान हो जायेगा। जो वहां पर होटल या होस्टल है उसको प्राइवेट कांटेक्ट कर लेना है। बीकारों में भी प्राइवेट कांटेक्ट कर लेना है। मेरी समझ में नहीं आता है कि क्यों प्राइवेट कांटेक्ट को उन को दिया हुआ है। मैंने इसमें बारे में सबाल भी किया था। मुझे जवाब यह दिया गया है कि यह मामला प्राइवेट कम्पनी का है। इस बास्ते इसका आपने जवाब नहीं दिया। कौन आदमी अफसरों के साथ मिल कर इस तरह के गन्दे काम करते हैं इनका आपको पता लगाना चाहिये और उनके खिलाफ कार्रवाई करनी चाहिये। बीकारों में भी यही हाल है। वहां पर वह

आवामी हाई कोर्ट से स्टे आर्डर ले आया है और बह चल रहा है। इस तरह की चीजों की तरफ आपका ध्यान जाना चाहिये। मैं समझता हूँ कि जो नया कांस्टीट्यूशन एमेंडमेंट बिल आ रहा है, उस में आप इस तरह के लोगों को निकालने की व्यवस्था करने की मेहरबानी करें।

मिसमैनेजमेंट टाटा आयरन एंड स्टील कम्पनी में भी हुआ रहा है। सोलह तारीख के खबरों में यह खबर छपी है कि जमशेदपुर में चार वर्कर गैस लीकेज की वजह से मारे गए हैं।

"Four persons working in the blast furnace N. 7 of Tata Iron and Steel Company died following a leakage of poisonous gas on Saturday night, according to police".

टाटा आयरन एंड स्टील कम्पनी के बारे में एक प्राइवेट मैन्यूअल रेजोल्यूशन भी आ रहा है। वहां का मैं एम पी हूँ। मैं वहां के हालात को जानता हूँ। वहां मिसमैनेजमेंट हुआ है। उनकी मिनी गवर्नमेंट बनी हुई है। वर्कर्स का अस्पताल में बहुत हल्ला अभी हाल में हुआ है और बड़ी मुश्किल से वह ठीक हुआ। आप उसको विजिट करें और देखें। उसको आप मेहरबानी करके नेशनलाइज करें या ट्रेक ओवर तो कर ही लें। मैनेजमेंट तो कम से कम उसका अपने हाथ में लें।

इन्हीं शब्दों के साथ मैं उस बिल का समर्थन करता हूँ।

SHRI INDRAJIT GUPTA (Alipure): I join the other members in this House in welcoming this Bill which brings this Company finally and conclusively under the umbrella of the public sector, and I hope the day is not far distant when the Tata Iron & Steel Company also, in which already a very sizeable chunk of shareholding is held by public financial institutions, will join the rest of this family. There is no reason

why one plant should remain outside in the private sector.

I fully agree with the Minister that we should bend all our energies and resources to a constructive rehabilitation of this Company. That is actually the reason given in the statement of objects and reasons also that Government are now taking this step to make necessary investments in the Company and also to make the necessary restructuring of the capital base of the Company. As far as that goes, it is all right, but what I wish to say in the time at my disposal is that capital restructuring by itself may not be enough to solve this problem. Management restructuring is also vitally necessary.

The Minister has correctly drawn our attention to the fact that after the management takeover, the production gradually did improve and in March 1976 it went up to a figure of 83,000 tonnes per month. That is a matter of satisfaction for everybody, and I think everybody cooperated in seeing that that was done. But I would like to know from him whether it is or it is not a fact that after March this year there has been quite a sharp decline in production, and that in subsequent months the figure is not going over about 55,000 tonnes. If that is so, it is a serious matter and one should try to find what the reasons for it are. Is it due to any deficiency in the quality of the coking coal which used previously to be obtained from Chasnala? Now I suppose it is obtained from some other mines. I have heard complaints about the quality of the coking coal and also about the quality of the iron ore. But I do not see why such problems, if they exist, cannot be dealt with because the whole of this thing is in the public sector and there is no reason why such deficiencies in quality should continue. Or, is it due partly also to management failures including something to which I had drawn attention when we debated earlier the Bill on management takeover, namely, that there had been in the past very unhealthy groupings

[Shri Indrajit Gupta]

among officers due to certain mutual rivalries; a kind of a mini struggle for power used to go on before the take over and senior executives had organised their own groups and factions right down to lower levels also I think the hon. Minister knows it very well. What I am asking you to look into is whether some of those ugly features are still continuing or not.

A short time after the management take over, the first custodian in his speech said: "It is also worth mentioning that senior personnel of IISCO have responded very satisfactorily to the changed culture of the organisation." By this, I think he means the change from private sector to public sector culture. "...All those who were over Rs. 4000 per month have voluntarily had their salaries reduced to below the limit." This is what the custodian in his speech had said. I should like to point out that from July, 1974 the structure had been changed so that the custodian had been replaced by a board of management with a chairman; the chairman as well as members of the board of management are all part-time people; even the chairman is a part-time chairman from July 1974. Until recently there was no wholetime custodian or administrator with overall responsibility for this plant. Recently an administrator had been appointed; this administrator was a former joint secretary of the ministry of steel. I know nothing about this gentleman or about his qualities whatever. I have to point out the fact that the appointment of a joint secretary of a ministry as an administrator of that plant runs counter to successive recommendations of the Committee on Public Undertakings. I have not got the time; otherwise I have got it here and I can quote that recommendation. The public Undertakings Committee has recommended on no less than three occasions in three of its reports that no officer of a ministry should be made chairman of a public sector undertaking nor should a secretary of the ministry be included in the

board of management. That is a matter for them to look into; otherwise they will some day be hauled up by the Public Undertakings Committee. Anyway this Administrator has been appointed only recently and in between there was a long period when the board of management consisted of only part time people, including a part-time chairman. As for the hope expressed by the custodian about voluntary reduction of salaries to below Rs. 4000 per month, I should rather make the charge that there is a completely top heavy management. From the annual report for 1974-75, I find that there are 90 officers who get salaries ranging between Rs. 36,000 and Rs. 72,000 a year. Of those, 71 are getting between 36,000 and 50,000; 13 officers between 50,000 and 60,000 and 6 officers between 60,000 and 72,000 per annum. On those officers alone you are spending Rs. 34,16,584 by way of emoluments. In my opinion, this public sector culture, whatever it means, has been imbibed very much and there is a grossly top-heavy structure in the management. I request the minister look into this seriously.

The performance budget of USCO, the latest one for 1976-77, talks of the main object of the take-over being "to professionalise and broaden the management and re-orient the structure of the management in line with the social objectives of the government." I do not think what I have quoted is much in line with the social objectives of the government. Will he compare the emoluments of these officers with the emoluments of similar categories of officers in other public sector steel plants? I do not expect him to do it in his reply now, but let him make a study and find out whether or not a number of younger officers in IISCO have been resigning and going away in sheer frustration. Mr. Sokhi praised the performance of Kulti works. That may be so, but while the wage bill at Kulti is Rs. 3½ crores the overtime bill is Rs. 1.25 crores! Our union

there has repeatedly suggested that this over-time should be cut down by recruiting more people who are required, but instead of that, they go on spending Rs. 1.25 crores on over-time against a wage bill of Rs. 3½ crores.

SARDAR SWARAN SINGH SOKHI: I said, they are doing a good job with old machinery.

SHRI INDRAJIT GUPTA: I thought that because of your praise, the minister may not look into it. That is why I referred to it.

So far as contract labour is concerned, my figures do not tally with his. He says there are 2100 contract workers, but my figure is three or four times that number. Although some workers have been departmentalised already, strangely the total pay bill of the contractors is going up. If the number of contract labour is being reduced and they are being gradually departmentalised, the pay bill of the contractors should not go up. But I find contract labour is still being employed even on jobs of a permanent or perennial nature. I am not going into details, because so many memoranda have been submitted on this, including the one to the apex committee for steel industry, but nothing happens.

A word about the old senior officers in the old company about whom I had warned last time. I hope the ministry will keep a watchful eye on them, because I do not think they can be always relied on to play the game properly. I do not say that all officers are bad people. But there are at least five senior officers in very strategic positions even today four or five years after the take-over, who were there in the days of Biren Mukherjee. They are the General Manager, Burnpur, the General Works Manager, Burnpur, the General Sales Manager posted at Calcutta, Manager, Engineering and

Development and Manager on Special Duty, who is also a Director of IISCO's Stanton Foundry and Pipe Company. All these officers are old hands who have been there since Biren Mukherjee's time. You may say, it is not possible to replace them because we have got qualified people. I do not know, but a serious effort must be made to replace them because when you re-structure the capital base, you have to re-structure the management also. Because, it is not like other public sector steel plants. This you are taking over after so many years of private management, and that too after it has been reduced to this condition.

Finally, I want to say one or two words about losses. In spite of the good increase in production, which took place up to March this year, I think the company incurred a loss of something like Rs. 9 crores last year. That may be because of the process of rehabilitation. But if there are avoidable losses, they must be dealt with very severely.

It is my submission that this Company is being put to very big losses due to certain corrupt practices which are going on, not on the production side but on the sales side. I have put some questions also, to which I have received some not very satisfactory replies, mainly saying that the information will be collected and supplied to me later. I would like an inquiry to be held into the allegations which I have made through my questions, that large-scale manipulation has been done to show inflated sales from the IISCO stock-yards, at Delhi and Calcutta particularly, and Bombay also. At the end of the financial year 1976 large-scale manipulation has been done to show inflated sales.

It is not possible for anybody to deliver 8,000 tonnes of steel materials in one day from a stock-yard. The normal average figure is 400 tonnes of delivery from a stock-yard in one day.

[Shri Indrajit Gupta]

If you look into their books, you will find that these people have shown 8,000 tonnes of steel as delivered by the Calcutta sales office from their stock-yard on the 31st March 1976. There is something very fishy about it, because the steel prices were raised with effect from 31st March 1976. All the other plants of Hindustan Steel have raised their prices accordingly and the new prices have been given effect to from the 31st March 1976. But what did IISCO do? They brought in the new price only from the 1st of April, and on the 31st March all sales have been effected at the old price, which is a lower price, to private traders and inflated sales have been shown. Because, they have not been delivered. The sales have been shown, challans have been fraudulently obtained from the traders, as also the cheques. That means the whole thing has been shown as given on credit. I am told that an amount of Rs. 2 crores now remains unrealised because of the irregular credit sales to certain selected traders, with whom I have no doubt some officers must be in collusion. Please look into it whether it is not a fact that Hindustan Steel gave effect to these prices from 31st March itself, but IISCO implemented it only one day later, from the 1st of April, and on that one day, 31st March, a whole lot of credit sales have been shown to certain selected groups of traders, who were thereby benefited very greatly.

It is a simple matter of enquiry. If you examine the weigh-bridge records at the stock-yards or the labour pay bill at the stock-yard on the 31st of March, you will find that it is not possible that 8,000 tonnes were disposed of that day. Yet, they have been shown in the books as that.

The second point is, it has become the common practice, particularly for the stock-yards at Calcutta and Delhi, to dispose of fraudulently huge quantities of steel and show them as defective. The Minister must know that

there is tested steel of the proper quality, which is sold at a particular price. Then there are, what are called, defective steel, sold at lower prices. Then, there is a third variety, called non-standard or cut down steel. The defective and non-standard steel are in very great demand outside, because there is a bigger margin of profit on them. It is my allegation that big quantities of steel of good quality is sold as defective or non-standard steel. In fact, in one of my questions I have asked for figures as to how much steel has been sold month by month, shown as defective or non-standard or cut down steel. The reply received from the Minister is that information is being collected and will be supplied to me later. But my submission is that there is some collusion going on between certain officers and certain private traders whereby the Company is being put to big losses. In this way, certain profit margin is being given to certain traders through fraudulent entries. So, I would like to know whether a CBI inquiry will be ordered. If a *prima facie* case is found out, a CBI inquiry should be ordered to go into it. Otherwise, crores of rupees are being lost to the Company.

15.30 hrs

[SHRI P. PARTHASARATHY in the Chair]

Finally, word about the industrial relations. So far as I know and, I think, he also said that there is only a plant-level committee in IISCO, in Burnpur, and there is no shop-level committee set up. Even in the plant level committee, the workers are represented of only one union, that is, the official union, INTUC. Why is the same pattern as at Durgapur not being followed here? Durgapur plant has improved so much; its production has improved so much. Only a few years ago, every day, we used to hear a woeful story about Durgapur. Now, the Durgapur plant has climbed out of that situation and improved like anything. There are committees not

only at plant level but at every shop level in which all the unions working there have been given representation. In Burnpur, only one union is taken and that is also only at plant level. There are no shop level committees. Therefore, I think, quite a lot of waste which is going on, mal-practices and so on which we will be able to locate go undetected. I should like to know whether he has any idea of re-structuring the industrial relations structure also in the interest of the Company.

श्री लक्ष्मण शर्मा (पानी) हिदुस्तान मे सबसे मुन्दर जगह काश्मीर है। काश्मीर के अन्दर जब यात्री जाता है तो बड़ा आनन्द लेता है, कहता है जैसे हम स्वर्ग मे आ गए हैं और मैं जब कभी पब्लिक अडरटेकिंग मे गया हू तो मैं समझता हू कि जो वहाँ के सबसे ऊँचे आफिसर्स होते हैं उनके लिए वह स्वर्ग है। यह मैंने अक्सर देखा है और श्री इन्द्रजित गुप्ता अभी बोल रहे थे, वह मुझ से कहे तो मैं उनको बनवा सक्ता हूँ कि कहाँ कहाँ ऐसी स्थिति है। मैं मेम्बर हूँ पब्लिक अडरटेकिंग कमेटी का इसलिए मैं उस मे ज्यादा बात नहीं करना चाहता लेकिन मैं यह कहना चाहता हूँ कि जो आई० ए० एम० आफिसर हो जाये या जो आपका सेक्रेटरी हो जाये वह वहाँ ऊँचा आफिसर बन जाता है और मझे बड़ा दुःख होता है यह देख कर कि इन लोगों को मायूस ही नहीं है कि विजनेंस करने का तरीका क्या है? सरकार का पैसा मजे से खर्चाते है। चन्द्रजीत यादव जी पैसा देने वाले हैं और वे पैसा खर्चाते वाले। घाटा जाये तो सरकार का जाएगा। जिसकी कोई जिम्मेदारी न हो वह कैसे मैनेजमेन्ट कर सकता है? आज उसकी लिए कोई जिम्मेदार नहीं है, यह बात आपने अपने बयान मे बहुत बार कहा है।
This is all due to mismanagement by the top management. यह बहुत बुरा सूरती से आपने कहा है क्योंकि आप को

बड़े सत्र मे बोलना और निबटना है। लेकिन आप यह बनाइए कि किस किस मैनेजमेन्ट को आपने पनिश किया है? 1972 मे आपने शुरू किया और आज चार साल के बाद आप यहाँ आकर कहने लगे कि हम इसको खेना चाहते हैं। यह बर्बाद क्यों बर्बाद? यह इसलिए बर्बाद कि हम लोग खुद मतलब नहीं होते हैं। अब आज इनने करोड़ का घाटा है यह बता दिया, उसकी रिपोर्ट करने मे कोई लाभ नहीं होगा। यह सारा मैंने देख था जब मैं इस की एक कमेटी मे था कि इसमे जो मैनेजमेन्ट करने वाले हैं उसमे एक एकोनामिन् एडवाइजर है चाटेड एगउन्टेड हैं, लॉ गल एडवाइजर हैं, ननलवाह उनकी हैं 3 हजार 5 सौ रुपये, करने के लिए बगल मिनिस्टर है और गार्डी खर्डी है। जब कभी कोई एम० पी० या मिनिस्टर जाना है तो बड़े तरीके मे उसे खेन लेने हैं। उनका एक तरीका होता है यह मैंने देखा है। उनका जिम्मेदार इम बान के लिए होनी चाहिए कि जितना घाटा है यह हुआ क्यों। आप कहते हैं मिसेमनेजमेन्ट तो हम पहला प्रश्न पूछना चाहते हैं कि पा करेग बनाइए कि ऐसे जो मैनेजमेन्ट हैं उनको कभी मजा मिले है या नहीं? क्या बर्बाद था आपने उनको दण्डित किया है? आप दा चार को ही जेन भेज दे। मिल्क वाला बाजार करने वाले हैं। चार नहीं है इस तरह जो देश की दीलत के साथ खिलवाड करने है वह महाबोर हैं। आपने उनको बहुत जिम्मेदारों का काम मीपा है। उनका चल्ने का ढग चलन है, दो तीन अगूठिया पहन कर गाडी मे चलते हैं। जब उनसे बोर्ड मिलने के लिए जाता है तो चश्मा पलटने रहते हैं। उनको एक आर्ट जरूर आना है—अप्रेड बोलने का। कंट्रैक्टर्स इनके घर पर आते हैं और बोर्ड दिनों के बाद इनके रिस्नेदार और आई-मनीजे भी आ जाते हैं। पब्लिक अडरटेकिंग तो बिहार मे होगी लेकिन वहाँ पर कोई मद्रास का आ गया तो मद्रास के लोग वहाँ पर आ जायेगे। इस तरह से कोई गुनगुन का आ

[श्री मुकुन्द झा:]

क्या तो गुजरात के लोग आ जायेंगे। सन्त आकाश वि म्वायल का बहा कोई पता नहीं। इस तरह यह लोग मनमानी करने हैं। मिनिस्टर के लिए यह नामुमकिन है कि रोज 10 घंटे काम करने के बाद वह इमर्का भाइन्पूट डिटेनस में जा सके। पब्लिक एडरटोकिंग कमेटी के मेम्बर आते हैं तो उनका मुँह उतर जाता है। कोई आदमी बीमार पड़ता है तो उसका पता चल जाता है लेकिन अगर किसी इण्डस्ट्री की हेल्थ खराब आती है तो उसका पता उस वक्त नहीं चलता। जब सारे कारखाने का काम खराब हो जाता है तो उसका रीजन दे दिया जाना है कि लेबर न स्ट्राइक कर दी। रीजन बड़ा झूठा दिया जाता है। आपने पब्लिक एडरटोकिंग के मैनेजमेंट पर बहुत बड़ी जिम्मेदारी बाँधी है इसलिए मेहरबानी करके वहाँ आप ऐसे लोगों को रखिए जो विजनेस एक्स को जानते हैं और वहाँ पर आप मगप्राइज वेकिंग कीजिए। आज जो मैनेजरी गिटावर होता है वह वहाँ चला जाना है। वह वहाँ पर जाकर काम सीखता है वह वहाँ जानता कुछ भी नहीं है। उनको वहाँ कभी कभी ए, बी, सी तक नहीं आती। जिन्होंने कभी बिजनेस किया ही नहीं वही लोग वहाँ पहुँच जाते हैं। वे सोचते हैं बुढ़ापे में कुछ आराम मिलेगा। ननछाह तो उनको वहाँ पूरी मिलती है।

मैं आपने दो तीन बाने जानना चाहता हूँ। आपने इसमें टाय-मैनेजमेंट की बान लिखी है लेकिन आपने किन-किन को मजा दी है? क्या कभी किसी की बंधनामी हुई है? इसी तरह मैं आप 4 परसेन्ट का इन्ट्रेस्ट देना चाहते हैं जबकि नेशनलाइज्ड बैंक का इन्ट्रेस्ट 18 परसेन्ट तक जाता है। यह तो आपकी बहुत बड़ी इण्डस्ट्री है इसलिए इसका स्टैंडर्ड तो बड़ा होना चाहिए था। फिर आपने इतना

कम इन्ट्रेस्ट क्यों रखा है? आपने एक बंधन लिखा है कि सिविल प्रोसीजर कोड लागू करेंगे। जब किस बन्ता है तो उसके लिए एक सेट प्रोसीजर बना हुआ है। ला डिपॉजिट उसको बनाता है। वे लोग क्या समझते हैं कि हमने अपने लिये सर्वेनमेंट के बानून बनाने चाहिये, चूँकि सर्वेनमेंट की बन्पनी है, इस लिये ज्यादा सुचीरियर है। लेकिन बीमान, विजनस का जो इधिस होता है उसमें पब्लिक एडरटोकिंग और प्राइवेट एडरटोकिंग दोनों को समान स्तर पर रखना चाहिये, ताकि दुनिया को भाव्य हो कि दोनों बन्पनिया किम तरह से काम कर रही हैं। आपने इसमें लिये 4 परसेन्ट का ब्याज रखा है क्या प्राइवेट एडरटोकिंग को 4 परसेन्ट पर रक्या मिल जाता।

आपन बहा है कि सिविल प्रोसीजर कोड लागू होगा—लेकिन अपील की पावर खत्म कर दी, जिसके पास अपील की जाएगी। गेजर्स के मीशन का प्रावीजन रखा है—इस बानून को बनाने की मजा यह भी कि बन्पनी का इन्तजाम ठीक हो सके, बन्पनी ठीक से काम करे और मैं आपकी तारीफ करता हूँ इसमें कोई शक नहीं कि आप की वजह से यह बन्पनी बच गई, वरना यह स्कैम बन जाती। लेकिन एक बात जरूर है कि जब कभी भी कोई कानून बने तो ऐसा बनना चाहिये कि साधारण जनता में सबके लिये एक मा हो, लेकिन यहाँ आपने शेयर-होल्डर्स को बिल्कुल बर्चित कर दिया—

"shall by force of such vesting, be freed and discharged of all trusts, liabilities obligations, mortgages, charges, liens"

उनका कोई सुनवाई नहीं हो सकती। मैं आपसे यही निवेदन करना चाहता हूँ कि जो भी बानून बने—पब्लिक एडरटोकिंग के लिये बलम और प्राइवेट एडरटोकिंग के लिये बलम—ऐसा नहीं होना चाहिये, सबके लिये एक सा कानून बनना चाहिये।

SRI B. R. SHUKLA (Bahraich)
At the very outset I congratulate the Ministry of Steel and Mines for its efficient working

There has been in the past an incessant propaganda on behalf of the private sector that it alone can deliver the goods; it alone is efficient and creates incentives for larger and larger production and that the public sector is notorious for mismanagement, for inefficiency and for loss of production. Both the myths have been exploded by the working of the public sector since the year 1971 and, in streamlining the administration of the public undertakings the Steel Ministry has played a key and crucial role

Since the time allotted to me is very limited, I will only submit two points. There has been a mismanagement in this company and its management was taken over. I am personally of the view that whenever mismanagement is visible in any private sector, then, instead of only taking its management for a limited period, it should be taken over permanently and it should not be a short and half-hearted measure. The company should have been taken over, acquired, as it is sought to be done now, in the year 1972 itself; once the Government comes to the conclusion that the company's affairs are not being conducted in an efficient manner and when the government has to invest funds to the tune of crores of rupees, where is the question of reserving the decision that it may go back to the same old management?

Now, the second thing is that there is a new strategy which is being resorted to by this private business. They somehow or other welcome the take-over of their undertaking and they start the process of mismanagement deliberately so that the Government may be compelled to take it over. They do not invest any money in the renovation of the machinery which ultimately becomes nothing but a junk and they would have derived

the maximum benefit out of their investment longtime ago and at the time when it is being taken over, nothing worthwhile is left in the undertaking. So, it should be taken over at the earliest stage. We are now talking of commitment to the philosophy of the Constitution. The philosophy of the constitution means that we are committed to the establishment of an egalitarian society where there would be not only political and legal justice but there would be economic justice. Those who have no commitment to the concept of public undertakings, socialism and working for the underdog, should have no place in top management of any undertaking. The difficulty lies in that we are half-hearted in these matters. We have the mentality of private businessman and also we have the concept and the ideal of a public undertaking. The increasing participation of workers is the only safeguard for the success of any public undertaking in this country. There have been cases of inflated sales and fraudulent transactions about which Mr. Indrajit Gupta made a pointed reference. I would submit that the Economic Intelligence Bureau should play an effective role in checking malpractices in such big undertakings. Unless this is done public undertakings would come in a big way for sharp and hostile criticism from all those who are opposed to the ideology of socialism.

As regards 4 per cent interest allowable on the quantum of compensation, Mr. Daga has said that this is not fair. Well, the Government cannot afford to pay the same amount of higher interest as is done in the case of private sector. The Constitution itself has provided that the quantum of compensation would not be justifiable. It has been done with a deliberate objective. If compensation at market value is to be paid to private individuals then it would not be possible to take over the undertakings at all. If the shareholders have taken the maximum benefit out of their investment they should not be

[Shri B. R. Shukla]

paid any compensation and only nominal compensation can be paid. The Constitution allows legislation in that respect.

Now, Sir, I do not want to say anything more except to congratulate the hon. Minister for bringing this Bill and this Bill shows the way of the things to come. If socialism is to come in this country it should come in a proper and effective way.

SHRI Y. S. MAHAJAN (Buldana): I congratulate the Minister on bringing forward this progressive Bill. The steel industry is the basis of our industrial structure. In fact, the extent of industrialisation of a country is measured by the amount of steel consumed per head of the population.

This industrial undertaking, namely, the Iron and Steel Company, is a big industrial complex and it consists of not only an integrated steel plant at Burnpur but also an iron foundry at Kulti, captive collieries at Chasnala and other places, iron ore mines and a subsidiary pipe and Foundry Co at Ujjain. It is a complex which employs over 30,000 workers.

The company was started initially after the First World War and by 1952, it had increased its rated capacity to one million tonnes. But, the decline in the fortunes of the company started in the sixties and, by 1963, the production of the company had gone down to 1.4 lakhs tonnes per year i.e., 13 per cent of its rated capacity as stated by the hon. Minister. In fact, its production had reached a figure of 8 lakhs tonnes, from that it came down to 1.4 lakhs tonnes which was a result of the rotten management and the low price of steel. The price of steel in India was the cheapest in the whole world at that time. There was also serious labour trouble. No-body could have lifted it out of this serious position in which it was except Government. The steel complex requires a huge amount of money and no private firm was equal to it. Therefore in 1972 the Government

took over the management. That was with a view to improving the top management, correcting the mal-adjustments in the equipment and thirdly, improving the labour relations. Our Government succeeded considerable in its objective. They improved the management, though it seems some old officers are still there with their old outlook.

Our Government appointed a Committee to look into the technical requirements of the factory. They have evolved a plan rehabilitation programme which would ensure production at the rated capacity of 1 million tonnes per year. This programme would require, it is estimated, about Rs 60 crores out of which, Rs 31 crores had already been spent. As a result of the steps taken by Government, production rose from 4.31 lakhs tonnes in 1972-73 to 6.3 lakhs tonnes in 1975-76. In 1974-75, the company made a profit of Rs 1.5 crores after making provision for depreciation to the extent of Rs. 5.17 crores. This is really a great achievement. The company has shown improvements not only in the production of steel but also of coal and of the iron-ore mines. To too the success of the regime this Company has entered into the international market in a big way as an exporter of steel. Now the question arises after these five years of Government management, whether, this company should be given back to the old management or Government should go forward and nationalise it.

Our Government has taken the right decision in acquiring the privately held shares of this company. But, in doing so, I want the hon. Minister to clarify certain things. Rs 60 crores for rehabilitation are being advanced by a consortium of commercial banks and public financial institutions under the auspices of the I.D.B.I. of which Rs 31 crores have already been spent. The question is whether the company will ever be able to stand on its own legs under this terrific burden of debt. Already by 1975 it had a debt

which required an interest payment of Rs. 1 crore every month. I hope the hon. Minister will make clear as to how he is going to put the company on a sound financial basis. In 1974-75, the company has made a profit—I admit this. But, with the increased burden of debt, will this company be able to stand on its legs financially? That is the problem. How will he restructure of the capital base? Will he do that by increasing the share capital or by converting the government loan into the share capital? What is the method in which you are going to do it. Even if production increase to 1 million tonnes a year I wonder, whether you will succeed in putting it permanently on a sound financial footing

Sir, about the amount to be paid to the existing shareholders, I think, it is a fair amount of compensation though the word 'compensation' cannot be used according to the Constitution. The price of the shares, Rs. 4.30 and Rs. 32.75 is based on the market value of the shares in the recent past and, I believe, we need not quarrel about the amount to be paid to the shareholders because that represents a fair market price. I am doubtful whether interest should have been paid to the shareholders as they were not getting anything by way of dividend. Our Government wanted to be fair and they have agreed to pay 4 per cent interest. I hope as a result of the take-over of this mill our steel production capacity will increase and the steel industry will be able to fulfil its task of enabling us to build a strong industrial structure.

श्री हरी सिंह (बुर्जा) : सभापति जी, जिस बिल पर चर्चा चल रही है उस के लिए मैं मंत्री जी का हार्दिक स्वागत करना चाहता हूँ और बधाई देना चाहता हूँ कि सभाजवाद की जो एक खुंखला चल रही है देश में आने के लिए उस की ओर यह एक कदम है। मैं आप कह सकते हूँ कि इस कम्पनी के राष्ट्रीयकरण की क्या जरूरत थी। मंत्री

जी ने बताया कि यह कम्पनी दिन प्रति दिन लूट के बोझ से बचती जा रही थी और हालत यह हो गई थी कि दो, तीन साल में 14 करोड़ २० क़ म्याज इस कम्पनी पर लद जाता।

आप जानते हैं कि लोहा ग्राज के आर्थिक डेटे का आधार है और संसार के जो उद्योग हैं उन की रोज़ की डडडी लोहा होता है। लोहा छोटे से चखें तक में इस्तेमाल होता है। ऐसी महत्वपूर्ण रोज़ाना की ज़िन्दगी से ताल्लुक रखने वाली चीज़ को इस अवस्था में कैसे छोड़ दिया जाता, यह सवाल विचारणीय था। इस कम्पनी की हालत बहुत खराब हो गई थी और लोहे को उनकी मर्जी पर नहीं छोड़ा जा सकता था। इस लिए सरकार ने ठीक ही किया कि इंडियन आयरन और स्टील कम्पनी का राष्ट्रीयकरण किया। और यह इसलिए किया गया कि इस कम्पनी की हालत को सुधारने के लिये भारी रकम की जरूरत थी, और इतनी भारी रकम ऐसी संस्था को देना जिस पर सरकार का अधिकार न हो, यह उचित नहीं था।

लोहे का क्या स्थान है, भारत की आर्थिक स्थिति में लोहे का क्या मूल है इस को देखते हुये राष्ट्रीयकरण स्वागत योग्य है। यह कम्पनी 1972 में हाव में ली गई, और जैसा पूर्व बस्ताबां ने कहा 13 अप्रैल से बढ़ कर 68 फ़ीसदी तक उत्पादन बढ़ गया, और इनट स्टील का प्रोडक्शन 1974-75 में 4 लाख 71 हजार टन था। जो 1975-76 में 7 लाख 30 हजार टन हो गया। इसी प्रकार 1975-76 में सेवेबिल स्टील 3 लाख 47 हजार टन से बढ़ कर 5 लाख 500 टन हो गयी। तो यह जो उपलब्धियाँ हैं यह साधारण नहीं हैं।

[श्री हरी सिंह]

हमारी सरकार का रुख बराबर यह रहा है कि देश की प्रगति और विकास के इनने एम्प्लॉयमेंट माध्यम का राष्ट्रीयकरण क्यों न किया जाये। इस में कोई शक नहीं है कि देश के लिए इतने महत्वपूर्ण उद्योग को इनएफिकसेट मैनेजमेंट के हाथों में छोड़ना ठीक नहीं है। कहा गया है कि दि बस्ट-मैनेज्ड पब्लिक इंटर प्राइव् इज बेटर रन दि बेस्ट-रन प्राइवेट कर्नल। कांग्रेस पार्टी का यह लक्ष्य और सिद्धान्त है कि देश का आर्थिक ढांचा समाजवाद पर खड़ा किया जाये। सरकार द्वारा लिये जाने के बाद अगर कोई कम्पनी या संस्था ठीक से न चले, तो भी वह माफ़ी के लायक है, और वह फिर भी प्राइवेट कम्पनियों से अच्छी है। इस लिए सरकार ने इस कम्पनी का राष्ट्रीयकरण कर के एक ठीक कदम उठाया है। लोहे के सम्बन्ध में विदेशों से हमारे पैकट हो रहे हैं और हमारी सेल बढ़ गई है।

10 hrs.

जहां तक सेलर का सम्बन्ध है मिनिस्टर साहब ने स्टील प्लांट्स के मजदूरों की वेतन पे 100 रुपये डी० ए० को जोड़कर 200 रुपये से बढ़ाकर 300 रुपये कर दी है जिस में पांच लाख वर्कर्स को लाभ पहुंचा है। राष्ट्रीयकृत कम्पनी में काम करने वाला मजदूर यह समझता है कि पहले वह एक व्यक्ति विशेष के लिए काम करना था और उस कम्पनी का मुनाफ़ा उस व्यक्ति की जेब में जाता था और उस कम्पनी के राष्ट्रीयकृत निचे जाने के बाद वह सोचता है कि यह संस्था मेरी है और इसको होने वाला लाभ मेरा लाभ है। इस तरह उस में आत्म-सम्मान और कान्फिडेंस बढ़ता है और उच्च अधिकारियों तथा जेबर्स के बीच रिश्तान्ध बहुत अच्छे हो जाते हैं।

जिस प्रकार अन्य पब्लिक एंटरप्राइज बहुत मुनाफ़ा दिखाने लगे हैं, उसी प्रकार वह बिना दूर नहीं, जब यह कम्पनी भी उन के स्तर पर पहुंच जायेगी और उस को भी मुनाफ़ा होने लगेगा। यह कहना सत्य है कि किसी राष्ट्रीयकृत कम्पनी में इन एफिकेंसी आ जाती है और उसमें नोकरी-गाही का बोल-बाला हो जाता है। राष्ट्रीयकरण ने बाद कम्पनी की संस्था की जबाबदेही पार्लियामेंट के प्रति हो जाती है। सत्त्व सदस्य एक प्रश्न के जरिये उसकी व्यवस्था में सुधार करवा सकते हैं और किसी अनियमितता को दूर करवा सकते हैं।

यह बिल बहुत मार्मिक है। इस से लोहे के सम्बन्ध में देश में आत्म-निर्भर होने और दूसरे देशों का भा लोहा सप्लाई करने, और इस प्रकार करोड़ों रुपये की क़ांरें एक्सचेंज प्राप्त करने में सहायता मिलेगी।

इस प्रस्ताव के साथ मैं इस बिल का समर्थन करता हूँ।

SHRI CHAPALENDU BHATTACHARYYA (Giridih) Mr Chairman, I heartily welcome this Bill as being long overdue which is being introduced and piloted by our dynamic Minister for Steel and Mines Shri Chandrajit Yadav today. This Bill has to be seen in the context of the perspective plan. We have planned for production of 75 million tonnes by 1993. Shall we make that plan a reality or will it be a pie in the sky? It depends on which critical path in the maze of resource spread in our export promotion in our internal productivity increases we follow in the coming years. I do not like to cover the ground already covered by some of our colleagues. I have only to say that the speech which Shri Yadav made was both candid and comprehensive. He outlined the lines of advance, the possibility of the expansion of the steel plant to 2 million tonnes capacity depending upon the

feasibility report by the technical committee and the possible demands on our resources of the order of Rs. 80 crores as interest-free loan, he also referred to the degree of participation of labour in industry and the phasing out of the contract system. He touched all those points as well as the need to build a large number of quarters for the workers and certain other infrastructure such as schools, modern hospitals, adequate water supply and so on. Burnpur is a 45-year-old plant which should have been written off after 40 years. Hundreds of residents of my town, Giridih, work in Burnpur and therefore I know what is happening, their fortunes and their future is bound up with the future of this plant about seventy miles away. This plant should have been written off after the 40th year, it is the dedication, expertise, preventive maintenance and general maintenance of officers and employees which has kept the plant running against one traumatic attack and shock after another. 1956 labour strike, then the bull-bear tug in the stock market by which a famous press magnate wanted to get control of this company, rival unions tugging at each other's throats and the play of power equations by the top officers of this company who depended upon the unions to reinforce their position against one another. All the time the ageing chairman, Biren Mukherjee was getting remote and losing control of the situation and of the details and it was right and proper that we took over the management as it was an inescapable necessity. I wish that as in the case of coal, we had nationalised this company in the course of the first year. In that case the heavy burden of interest charges, almost Rs. 25-30 crores for four years, which the company had to bear could have been avoided. Even in its heyday the company did not make a profit of Rs. 10 crores a year. It was an ageing concern and the miracle was that the company was running and that it did not disintegrate. Rs. 80 crores or even Rs. 100 crores to make the Indian

Iron and Steel Company to produce one million tonne of steel is a small price to pay. Tatas for their expansion plan for 2 million tonnes have demanded Rs. 300 crores and if we want to start a new plant of one million tonne capacity it would cost more than Rs. 400 crores. The strategy which I would humbly bring to the notice of the Minister for Steel and Mines would be that he may kindly consider the export of this steel. It has got the right product-mix to pay for restructuring of the Steel plant and that should be our broad strategy for the perspective planning for steel making as a whole. If we start exporting one million tonnes of steel for Rs. 120.0 to Rs. 150.0 crores, we can go on ploughing it back into steel sector so that our population will be save of the burden of such a vast expansion of steel industry which the White Paper has outlined before us—at least a part of burden will be lessened.

Sir, one word about Chasnala. Before the Chasnala tragedy, the Indian Iron and Steel Company blast furnaces were operating and reached a rated utilisation capacity of 95 per cent. I had this information directly from the source in the month of December. Chasnala was another trauma which in financial terms may be 3 or 4 crores but in terms of shock on the morale of the people it was a heavy blow. They have survived that and they are making good and they are pulling out from the "slough of despond" which is again a tribute to the skill, the dedication, the expertise of the workers and the officers there. And we will be failing in our duty if we do not pay tribute to them for the jobs which have been done fairly and well barring two or three against whom CBI enquiries are pending and which, I am sure the Minister will take note of, as Mr. Indrajit Gupta has demanded sometime back. IISCO has pumped Rs. 44.0 crores into Chasnala for washery, aerial ropeway and sinking of shafts. A reserve coal of 43 million tonnes

[Shri Chapalendu Bhattacharyya]

of high grade metallurgical coal if converted into 30 to 35 tonnes of ore-mium coke at Rs. 330.0 per tonne, will add up to one thousand crores of rupees. Can we afford to write it off? It is a challenge to the entire mining engineering community. Since we cannot afford to write it off, we have to accept the challenge and extract the coal. The crux of the matter was production and supply of 1.2 million tonnes of coking coal to the company from Chansala, from Jitpur and from Ramnagar. By whatever means, today or tomorrow, you have to reopen it and extract this exceptionally good coal with 9 per cent ash content. In the larger context of perspective planning for steel, 43 million tonnes of the highest quality coal is a lot of coal. We cannot afford to give it up.

Sir, one feather in the cap of the Minister is the degree of participation of labour in industry which he has brought about in the steel plant and I am quite sure that we will be making up the shortfall. I am also happy that the point that was made by one of my colleagues, that this degree of labour participation will be a sure guarantee of directing the economics and the ethos of the plant into a socialist system. With these words, I welcome this Bill and support this Bill.

SHRI B. V. NAIK (Kanara): Sir, the Bill proposes the payment of Rs. 7,23,95,137.15 for the acquisition of the shares of this company—a very precise calculation! I have been trying to get hold of the available balance sheet. In the absence of accurate data, I have to rely on what our other friends said that this roughly represents Rs. 4 and odd per share valued at Rs. 32. The company has issued a considerable number of bonus shares. Even though as quoted by Shri Dinen Bhattacharyya the subscribed paid-up capital is Rs. 28 crores, a substantial portion of that would be in the form of bonus shares. In other words, whatever profit was

there, it was ploughed back and whoever were the owners they were permitted to appropriate to themselves these shares. I am raising this theoretical point because we are today at a stage of payment of compensation in various sectors. I do hope the minister will tolerate my slight diversion. When the tenants become the owners of the land, the small land-holders are told, "You will get your compensation or whatever is the value, calculated on the basis of a particular multiple of the assessment of that particular land over a period of 15 years." As against a person who held land which was considered most secure some time ago, a person who has invested his money in the risk capital of an enterprise, at the end of a decade of thorough mismanagement, is still able to walk away with a decent little sum. I feel this investment of Rs. 7 crores and odd is only the tip of the iceberg. As already stated in the statement of objects and reasons and in financial memorandum, the consolidated fund of India will be further taxed to the extent of Rs. 60 crores more. I have not clearly understood the basis on which we have arrived at this 'amount' in substitution of the word 'compensation' and also whether it is the financial, economic and moral responsibility of the government which has taken over a concern, which was producing at the rate of 11 or 15 per cent of its rated capacity, to come forward and say that so much money of the public exchequer is being invested for purchasing the shares of the company. If some of the fairly well-run concerns in the private sector are to be nationalised, there is a sense of justification for payment of the share value at par or value calculated on the basis of its net worth, but there is no moral or legal justification to pay compensation in the case of a company in which the government has to invest hundreds of crores. Payment of Rs. 7 crores does not, somehow, fit into the pattern we are thinking of at present. I hope the Minister will kindly tell us by

the time we conclude the discussions on this, what exactly are the figures of the net paid up capital of this concern. There is a reason for my taking a slight divergent view. I come from an area where the entire development is held up for want of a Railway line costing only Rs. 37 crores. I feel nervous that the same Government and the same exchequer will be paying so much—leaving aside the merits of the case—in trying to run the old mismanaged concerns like the IISCO on proper lines and in putting up other public sector concerns which have been started in other places and are now picking up. With all this, I do not know what the chances of these babies yet to be born, are. Whether at Vizag, Hospet or Salem, one of the major constraints for erection of these steel plants is the resource position and plan allocations, as far as I understand. I am afraid that in trying to repair these old buggies, construction and installation of new steel plants might suffer. With these qualifications, I support the Bill.

SHRI PRIYA RANJAN DAS MUNDLA (Calcutta-South): I congratulate the Minister for bringing forward this Bill for two reasons. One is that he has really kept the promise made by our late Minister, Shri Mohan Kumaramangalam, who had assured the House that it would not be given back to the old management. I sincerely pay my compliments and greetings to the Minister. Secondly, it requires dynamism to look after bigger steel plants taken over by the Government. I do feel that it has been well managed by the Minister and his official colleagues and in that respect, we do not feel the absence of our revered late Mohan Kumaramangalam much.

It is not correct to say, as some of the Members from the opposition have said, that the management of the unit is squarely bad and that all the old people are bad. I do agree that a few people and a few officers in almost all undertakings do not behave properly. If we adopt the attitude

and habit suggested by Mr. Indrajit Gupta, that whenever we take over old units, we will demolish the old structure crudely and remove all the people who work there, it will really be unjust because people get jobs because they are efficient and talented. If such people are given the opportunity to serve the country, sometimes, they prove their worth. In our country, we are lacking in managerial efficiency to a great extent, especially for running public sector units. So, this sort of attitude will not help the Government. I do agree that a few officers do not behave properly but all are not bad. So, I request the Minister not to take the attitude as suggested by Shri Indrajit Gupta, that all officials are bad.

With regard to the existing management, Mr. Dinan Bhattacharyya has said many things. I do not want to argue with him on this. But I would say that the contribution of Mr. Gupte Bhaya in this unit is unique. I can say, though I do not know him personally, I have got representations from the workers, that such type of persons are required not only in public sector units but all over the country and their efficiency should be praised by the House. If Members do find fault with such type of persons, public sector units will not prosper in our country.

Sir, I would like to remind the Minister about only a few things within the short time available

MR. CHAIRMAN: The time is very very short.

SHRI PRIYA RANJAN DAS MUNDLA: Yes, Sir. With regard to the rehabilitation programme, the Report of the Ministry placed before this House this year mentions the following:

- (a) Improvement of raw material handling facilities, particularly in relation to coal and iron ore;

[Shri Priya Ranjan Das Munsi]

- (b) Emergency and hot repairs of No 7, 8 and 9 coke oven Batteries and re-building of No 7 battery,
- (c) Building of a new Landle House for Blast Furnaces
- (d) Repairs of open Hearth Furnaces and converters,
- (e) Augmentation of steam generation capacity and thus of power generation
- (f) Rehabilitation of handling equipments like cranes and ground charges,
- (g) Modernizing and fully rehabilitating rolling stock and
- (h) Providing facilities for oil firing

I do not know much of this rehabilitation programme has been completed. I would request the Minister to tell me whether any committee has been set up by the Ministry or by this unit to review the progress of the rehabilitation programme every month or periodically. Otherwise the government might face difficulties if the management suddenly reports that the programme is not progressing well.

With regard to production I quite agree with what Mr Indrajit Gupta had said and I do not want to spend more time on it. Possibly during the current year production has not come up satisfactorily. There are probably many reasons.

I would like to know the prospect for the Ujjain unit—which had collaborated earlier with the British steel company and which was one of the units of the IISCO—as also about the fate of Chasnala. Even though the Chasnala tragedy is under a judicial probe may I make a request to the Minister? Since it may take a long time will he like to have a CBI probe so that some expeditious measures can be taken to find out the reasons behind the disaster?

With regard to the increase in the budgeted amount ploughed back into the rehabilitation programme, viz., from Rs 41 crores to Rs 55 crores, the reason for this has been shown in the Report as the increase in oil prices. I think this is not correct. Possibly the prices of some other raw materials also had gone up then. They are now coming down. Since the price level during the last 1½ years is down in almost all the items will the estimate be further revised and some reduction in the budget made in the interest of the unit as also of the company?

I will take one more minute to say something with regard to the functioning of the collieries, also under IISCO. The accidents at Jitpur and Chasnala have made us very sad. They had a ropeway functioning, as also coal washery there. I want to know how the ropeway is being used after the accidents first at Jitpur and later at Chasnala.

I would again congratulate the Minister for bringing in this bill. It would open the gates of the public sector to other enterprises—whether they are in the tea, textiles or jute industry. When other units are taken over by other Ministries the Ministers concerned will have no reason to tell the House that the management will again be given back to the units. A beginning has been made by Mr Chandrajit Yadav. I hope it will be followed by the Minister of Commerce in respect of textiles, jute and tea, and by Mr T. A. Pai in regard to his units also.

With these words I conclude.

SHRI SHYAM SUNDER MOHAPATRA (Balsore). Sir, once upon a time Sir Biren Mukherjee was a name to be reckoned with in eastern India. It was he who wanted to prove that people from eastern India could also establish some plants and some installations for them to figure in the industrial and commercial map

of India. But as years rolled by, mismanagement, corruption, favouritism and nepotism—all rolled into one—took the reputation of IISCO down the gutters. Although it was a foregone conclusion in 1974 itself that this will come entirely under the aegis of the government, I must congratulate the Minister and his Ministry for taking active steps and hastening the process of the entire take-over.

Mr. Chairman, Sir, it is to be noted that this was taken over because of mismanagement and malpractices. There was no other alternative. One of the important auditors of our country has said that the audit report was completely manipulated to show that the plant was run on profit. To quote him:

"actual loss was converted into profit by jugglery of accountancy . . . inflated inventories was a regular practice."

This fact came to light when the Company wanted some loan from a bank, because there was no other alternative but to fall back on a bank loan. The Auditor says:

"In its books the IISCO credited itself with Rs. 1.85 crores for supply of one million tonnes of blast furnace granular slags. Although this amount has been credited, not even 100 tonnes have been supplied so far."

This was the usual practice in IISCO. There was a lot of corruption in the office of this Company at 50, Chowranghee Road, Calcutta.

An important architect was drafted for interior decoration and for supplying furniture, to make it a fashionable quarter, on par with a five-star hotel. You will be surprised to know that no tender was invited and nothing was advertised to ascertain the rates prevailing from the different archi-

itects. One architect was favoured and the amount ran to lakhs of rupees. This is only one instance. There were many such instances of corruption from which IISCO was suffering, when it was taken over.

We must congratulate the Minister for the fact that it has picked up. Not only this plant, but in fact all the steel plants in India are picking up under the active leadership of Shri Chandrajit Yadav and his officials. Bhilai is picking up very nicely. Bokaro is doing very well. Rourkela just now celebrated the 10 million target. So far as Durgapur is concerned, two or three years ago, we were saying in Parliament that it is not fulfilling even 80 per cent of its targeted capacity. Today it has picked up very well.

Here the hon. Minister should not forget, in fact he cannot forget because he is from the labour front, that it is the labour which is working the steel plant. So, the labour should be congratulated for this brightening up of the situation. Shri Das Munshi showered his praise on Shri Bhayya. I am one with him there. At the same time, we should not forget that thousands of workers who are working in the steel plant are toiling hard and sweating hard to see that the target is fulfilled. The credit should not go to one General Manager, one General Superintendent or one Engineer; it should be equally shared by the working class who are striving their best in the emergency period to show that our steel plants can be made a real success.

In 1972-73 the production of ingot steel had declined to 43,100 tonnes. But in 1975-76 it has gone up to 63,000 tonnes. So there is no begging the question that it has picked up so nicely.

Here I want to bring to the notice of the Minister one point. We are going to invest a huge amount of

[Shri Shyam Sunder Mohapatra]

Rs. 42.5 crores for the purchase of machinery. We understand that there are good machinery in the plant itself but some officers are hand in glove with the contractors and that they want to dispose of them, so that they can go in for new machines, although these machines are working perfectly well. The other day we had been to Ranchi and we found that MECON is capable of manufacturing things for which we are depending on British or German experts for years. So, from now on we should depend on such organisations in our country. If we want any blast furnace to be installed in IISCO, or any new crane, we have to depend on our own Indian technical know-how, rather than on foreigners.

With these words, I again congratulate the hon. Minister for hastening the process of take-over.

SHRI CHANDRAJIT YADAV Sir, I am very grateful to the hon. Members who have participated in this debate for having welcomed this Bill without any exception. I am also grateful to them for the fact that they have been able to appreciate the efforts which have been made in this Ministry.

I should say that it is not an individual effort, really speaking. It is a collective effort which has been able to bring this good result. Of course, our workers have played a very glorious role which has always been acknowledged. Without their full cooperation and without very good industrial peace which they have been able to maintain through these years, this would not have been possible. Therefore, the credit goes to the working class. But, at the same time it has been the collective effort of our engineers, technicians, the management and the Ministry which has achieved this thing and we will continue this effort. We realise today

not only the importance of this basic industry which has to play a very important role in the developing economy of our country, but also personally I feel that all the plants and every factory, whether it is in the public sector or in the private sector, must produce to their full capacity. It will be a crime in a country like ours if we allow any undertaking not to utilize its full capacity. We have to utilize the maximum capacity. I am sure that if there is awareness about it, if there is vigilance, if there is correct guidance and if there is proper relationship between the management and the workers, then it is possible to do it.

To-day, everybody recognises this fact that under the leadership of our Prime Minister, a new kind of atmosphere has been created in this country. People, by and large, realise the importance of discipline; they realise the importance of hard work, they realise that India has to go forward at a greater speed and our rate of growth has to be much higher. Otherwise, a nation of 600 million people cannot afford to have satisfaction with this pace of economic growth. Therefore, this situation is fully realised and I can only assure the hon. Members that whatever constructive suggestions they have given, will be given due consideration.

One question was asked why we should pay Rs 7.24 crores as compensation. In this company, more than 50 per cent shares belong to the individual shareholders and many of them were coming from the middle class society. There were about 80,99,773 ordinary individual shares, and 1,36,161 preference shares. Therefore, it will not be just that when we are taking over this factory, we should not pay anything at all to the people who invested their money with some hope, particularly people from the middle class and may be from the lower middle class.

While paying this amount, we have taken into consideration all the relevant factors like annual account of the company for the past five years and quotation of the stock market of the share of the company over six months from January 1976. The controller of capital issues advised that the fair share value of the company was Rs. 4.7 for each equity share of the face value of Rs. 10 and Rs. 32.75 for each preference share of the value of Rs. 100. On this basis, we are paying this amount which comes to Rs. 7.24 crores. This amount is going really to those individuals who have invested in this company.

Certain other issues were raised. Mr. Dinen Bhattacharyya asked what about the security and the employment of the workers. There should be no doubt about that. All those who are employees of the Company will remain the employees of the Company. Their service will continue. Therefore, unnecessarily, I think, this doubt which should have normally not been raised is being raised. If he is in doubt, I would like to remove that doubt that no worker's service is going to be affected by taking over this Company. Rather, they will be in a better position.

I would also like to say that we have evolved a system in the Steel Ministry whereby even in the private sector companies, for example, IISCO in which the Government has also considerable share, the pay-scale, the dearness allowance, the bonus incentive, all these things are decided in a forum where the workers representative also participates. Therefore, that is binding on all the undertakings, even on the private sector undertakings. We have evolved a method whereby the salary and other amenities of the workers are at par in both the public sector and private sector undertakings.

In the beginning, I said that we have taken certain measures to look

after the welfare activities of the workers. As the Company's financial position will improve, I would like to assure the House that we would like that the workers who are working in IISCO should in no way be a loser in comparison to other sister undertakings. As Mr. Indrajit Gupta very rightly said and welcomed it, it gives me a great pleasure to see that now IISCO has joined the family of public sector undertakings after this House passes the Bill and it becomes an Act. It will entirely become a public sector undertaking and no individual's share will be in this Company.

So far as production is concerned, I have given some figures as to how it has come down. Before the takeover, the production, the utilisation capacity was as low as 13 per cent. This year, our target is to produce 68.5 per cent. Mr. Indrajit Gupta has raised this doubt. The last year's production was 63 per cent of the utilisation capacity. In comparison to that, this year, we are aiming to produce 68.5 per cent. But our effort is that we should produce more.

SHRI INDRAJIT GUPTA: That is the target. What is the actual production?

SHRI CHANDRAJIT YADAV: I am giving the figures of actual production also. He is right in saying that the production in the beginning of the year was higher and, after that, the production in the succeeding months has been a little low. I am not saying that he has made any charge. I am giving the facts. He has raised this question and he should get an answer also.

Last year, from April to July, 1975, the production of this factory was 1,92,246 tonnes. In comparison to the last year's five months production, this year's five months production is 2,12,058 tonnes. It is more than 10.31 per cent higher than the last year's

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production. Therefore, there is no reason to have any doubt that the production is going down. We have fixed a higher target and we are pretty sure that we can not only achieve that target but we will exceed that target.

Another question was raised as to whether there are people available. It is a fact that for quite some time there was no whole-time chief executive. About the man who was taking care of it, high tributes have been paid to him in this House that though he was a part-time Chairman, he did his best to wield a good team. We have taken full care to see that the earlier factional activities which, were to a very great extent responsible for bringing down the production at that low level should be eliminated. The necessary steps have been taken and I am glad to say that today there is a very harmonious team working. So far as the administrative part is concerned it is not that the Public Undertakings Committee has said that no officer of the Ministry should be a part-time or full-time Chairman. Now the Administrator who has been appointed is today no more a Joint Secretary of the Ministry. He was a Joint Secretary of the Ministry and he is an officer of experience and of good reputation. We thought that a competent officer should go and take care of this plant and, therefore, he has been appointed as a whole-time Administrator of the factory. I am sure that under his leadership there will be a good team which will take care of the improvement of the plant.

So far as the other questions are concerned, as Mr. Munshi has very rightly said, we cannot remove all the officers who were appointed during that time, but we are vigilant about some of these officers against whom there are certain charges. A CBI Inquiry has also been instituted

against a very high officer and certain steps have also been taken against some officers who were found to be responsible for certain lapses.

One fact has been brought out by Mr. Indrajit Gupta and he has put some questions on it also. I would like to assure him that I have asked the Administrator to look into this question and immediately report back to me. If there is a *prima facie* case to assume that some officers had deliberately and intentionally done some fraudulent work or something against the interests of the factory, whatever steps are required will be taken. I have taken note of it and I will see that a proper inquiry is instituted and that the facts are brought to light.

I would also like to say here that the product mix of the plant has been really speaking, good. We have tried to bring in some necessary changes in the product mix of the plant.

There are also certain challenging tasks before the plant but the Management is going ahead with full confidence for finding solutions for these difficult tasks. During the last four months this undertaking has been able to export about 30,000 tons of steel and we hope that during 1976-77 HISCO will export 100,000 tons of steel and at a good price.

A question was raised that we are importing some machines from abroad which are available in our country. As the Hon. Members know, whenever any machine needs to be imported, it has to be cleared by the DGTD: no plant can import machines on its own. Our efforts have always been to see that whatever indigenous machines and equipment are available in our own country are given priority; it is not only priority, but it is binding on the parties to buy such machines indigenously. Even in a plant like Bokaro, it is a matter of great satisfaction that 80 per cent of

the machines and equipment being purchased in our own country. We are in a position today to manufacture certain parts of the machines and therefore we are negotiating with the Soviet Union that, if they agree—because this is not a part of the contract—we might purchase them from our own factories like BHEL, HCC etc. and not go in for imports. Therefore, it has been the policy of the Government that whatever machines and equipment are available indigenously should be purchased here itself.

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 a 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.

Certain very constructive suggestions have also been made about price and about our sales organization. They are being streamlined; certain steps are being taken. Very recently we have taken some important steps

to see that steel distribution in this country takes place through public stock-yards. We are also taking care of our customers, I mean, the general people of this country. For many years the steel prices have not been raised only because of this that the common people should get steel at a reasonable price. I am glad to say that, because of many effective steps taken by Government, by the Finance Ministry and by the other Ministries, including my Ministry, today there is no black-market in steel in this country, and people are happy that the availability of steel has been made easy to the people all over the country. This year is going to be a good year production-wise and it will be a matter of great satisfaction for us that we have fixed this target that the Indian steel industry will not only meet the requirement of our people, but in the current year will be exporting steel worth Rs. 300 crores to 40 countries of the world.

Very rightly attention has been drawn to perspective planning. I had the honour to present the White Paper on steel industry in this House. We are taking care of perspective planning, and there should be no doubt that, in respect of all the steel plants for which the feasibility reports have been commissioned or the DFPs have been commissioned, as soon as our resources position is better as soon as resources are available, we will go in a big way with steel expansion programmes, because, I feel that a country like ours will need, as our economy develops, much more steel. Today if we compare ourselves with the Soviet Union or Japan or other countries, we will find that our steel production is still very low. But seeing the rate of industrial growth, the rate of growth in agriculture, seeing the atmosphere which has been created in our country and the fact that we have got a sound scientific, techno-economic base, we feel

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that the Indian economy will pick up and accordingly the steel production will also have to keep pace.

With these words, I conclude. I am very grateful to the hon. Members who have participated in this debate.

MR. CHAIRMAN: The question is:

"That the Bill to provide for the acquisition of certain shares of the Indian Iron and Steel Company Limited with a view to securing the proper management of the affairs of the Company and the continuity and development of the production of goods which are vital to the needs of the country and for matters connected thereto, be taken into consideration."

The motion was adopted.

MR. CHAIRMAN: Now, we will take up clause by clause consideration of the Bill. There are no amendments to clauses 2 to 18. The question is:

"That clauses 2 to 18 stand part of the Bill"

The motion was adopted.

Clauses 2 to 18 were added to the Bill

Clause 1 was added to the Bill.

The Enacting Formula the Preamble and the Title were added to the Bill.

SHRI CHANDRAJIT YADAV:
beg to move:

"That the Bill be passed."

MR. CHAIRMAN: The question is:

"That the Bill be passed."

The motion was adopted.

16.59 hrs.

SUPPLEMENTARY DEMANDS* FOR GRANTS (GENERAL), 1976-77

MR. CHAIRMAN: The House will now taken up for discussion Supplementary Demands for Grants in respect of the Budget (General) for 1976-77.

Motion moved:

"That the respective Supplementary sums not exceeding the amounts on Revenue Account and Capital Account shown in the third column of the Order Paper be granted to the President out of the Consolidated Fund of India to defray the charges that will come in course of payment during the year ending the 31st day of March, 1977 in respect of the following demands entered in the second column thereof—

Demands Nos. 1, 2, 7, 14, 25, 29, 30, 32, 38, 39, 41, 48, 51, 61, 63, 76, 83 to 85, 88 and 99."

List of Supplementary Demands for Grants (General) for 1976-77

No. of Demand	Name of Demand	Amount of Demand for Grant submitted to the Vote of the House	
1	2	3	
		Revenue Rs.	Capital Rs.
MINISTRY OF AGRICULTURE AND IRRIGATION			
1. Department of Agriculture		20,85,000	..
2. Agriculture		60,00,00,000	..
7. Department of Rural Development		15,00,00,000	..

* Moved with the recommendation of the President