

[Secretary]

members to be appointed by the Lok Sabha to the Joint Committee.”’

12.20 hrs.

COMPANIES (SECOND AMENDMENT) BILL*

The Minister of Finance (Shri T. T. Krishnamachari): On behalf of Shri B. R. Bhagat, I beg to move for leave to introduce a Bill further to amend the Companies Act, 1956.

Mr. Speaker: The question is:

“That leave be granted to introduce a Bill further to amend the Companies Act, 1956.”

The motion was adopted.

Shri T. T. Krishnamachari: I introduce the Bill.

12.21 hrs.

METAL CORPORATION OF INDIA (ACQUISITION OF UNDERTAKING) BILL

The Minister of Steel and Mines (Shri Sanjiva Reddy): Mr. Speaker, Sir, I beg to move:†

“That the Bill to provide for the acquisition of the undertaking of the Metal Corporation of India Limited for the purpose of enabling the Central Government in the public interest to exploit, to the fullest extent possible, zinc and lead deposits in and around the Zawar area in the State of Rajasthan and to utilise those minerals in such manner as to subserve the common good, be taken into consideration.”

Sir, this is a question which has been pending for a long time. The Metal Corporation has not been able

to utilise the opportunity given to them to exploit the scarce material zinc and lead for the public utility of this country. In this country we do not have very many deposits. It is only in the Rajasthan area where we have some deposits of zinc and lead.

This Company was formed round about 1944, about 21 years ago, and since then it has had a very chequered career. For want of finance, they were not able to expand themselves and now for the last two years, it has reached a stage when they could not even take over the machinery that has come in the port areas. They had also reached a stage when they could not even pay the wages to the labour. My friend pointed out, when I introduced the Bill, why it was necessary to introduce an Ordinance when the Parliament was meeting within a few days. The labour there was not paid wages for two months. Even the bonus which they were paying every year fell due and that was also not paid. They were not in a position to pay wages for two months exclusive of the bonus. I would ask my friend to consider—he is the labour leader himself—how it would be possible to continue the work if two months ordinary wages, apart from the bonus, were not paid to them. Therefore, the situation was so critical that we felt there may be some damage also.

For months together we have been negotiating. Even the Cabinet considered this aspect of taking them over or negotiating with them for putting the mines in working order. The Cabinet Secretary was put on this job. The Cabinet Secretary negotiated with them and they reached some tentative agreements. But then the Company could not agree finally to terms offered by the Cabinet Secretary.

If the mines are not worked at a critical time when we want zinc so badly and we have been importing

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†Moved with the recommendation

Extraordinary, Part II, section 2, dated

of the President.

huge quantities at such a big cost of foreign exchange, naturally we have to put them in working order. The Government gave them all opportunities to expand themselves, to try to secure additional Finances necessary for the expansion. Not only that. They failed to repay the instalments which they had to make to the Finance Corporation and the Rajasthan Government. Huge sums of money were advanced to them and they could not even pay the instalments that fell due last year.

Under these circumstances, having exhausted all possible methods to making them work more effectively, the Government was forced to come forward with this legislation. Personally speaking, I may say that I was not very anxious to take this over. I tried to help them. But the condition was so bad that the Government could not afford to give them crores of rupees when they could not raise even a few lakhs of rupees by way of equity share capital. We gave them the offer that if they could raise some money, then the Government was prepared to help them. When some foreign companies approached the Government to permit them to start production of zinc in this country, we suggested to them to negotiate with the Metal Corporation for equipment and for other assistance so that in collaboration with these foreign companies the Metal Corporation could produce zinc that they were capable of doing.

Then it was in a very bad condition; there was no possibility of going ahead. It is not for one or two years, but for 21 years this has been going on. Having seen this pitiable condition for 21 years, if Government does not step in even now when the country needs zinc very badly and we are importing every ounce of it excepting for a small quantity of concentrates which is sent to Japan and smelted there, it would not be in the national interest and naturally we cannot allow them to drift like this. We were, therefore, compelled to take it over;

it was not as though we had some pleasure in taking over that company. The terms which we have given to them are the same terms which we have given to the L.I.C. About compensation, we want to give them a fair compensation for all the machinery and equipment; that clause is there in the Ordinance and the same has been inserted in the Bill also, but on that also, the Company differed; they wanted some foreign expert to come and value. We wanted to have a judicial officer who will value the machinery and will also estimate the value of the buildings and the mines and the amounts spent by them; these could easily be verified because the amounts are there and then a judge could easily come to a correct figure, a fair figure to the Company and to the Government as well. This evidently they do not like; they want some foreign expert to come and do it. We naturally would not agree to that because the same condition was laid down when we took over the L.I.C. or the Airlines Corporation. We assured them that justice would be done and it will not be denied, but they went to the High Court against the control order—against price and distribution control imposed on non-ferrous metal; this is pending in the Court. Meanwhile the Ordinance was issued; they have gone to the Court against the Ordinance also. The High Court has not given a stay order and has posted it for hearing sometime next month. This Ordinance will have to be converted into an Act before the Parliament adjourns. Therefore, it is absolutely necessary that we take this into consideration and pass this Bill. Since the step has been taken under unavoidable circumstances after a lapse of 21 years of bungling by the Company, I am sure the House will appreciate the urgency of producing these metals in this country and give its full support to take over this Company by passing this Bill.

Mr. Speaker: Motion moved:

“That the Bill to provide for the acquisition of the undertaking

[Mr. Speaker]

of the Metal Corporation of India Limited for the purpose of enabling the Central Government in the public interest to exploit, to the fullest extent possible, zinc and lead deposits in and around the Zawar area in the State of Rajasthan and to utilise those minerals in such manner as to subserve the common good, be taken into consideration."

Shri Hari Vishnu Kamath (Hoshangabad): On a point of order.

Mr. Speaker: Shri S. M. Banerjee has already intimated that he would like to speak first.

Shri S. M. Banerjee (Kanpur): I rise on a point of order. At the introduction stage also, you remember, without imputing motives either to the hon. Minister or to the Government, I raised a point of order on two grounds: one was whether this Bill could be discussed in this House at a time when the Ordinance, which has naturally been converted into a Bill now before the House, has been challenged in the Court of law—in the Punjab High Court Circuit Bench at Delhi; it was admitted on 27th October, 1965. The Minister was saying that even the control order which was issued probably on the 14th September, 1965, had been challenged by the Company and a rule had been issued. Here also I am told that the petition challenging the Ordinance has been admitted on 27th October, 1965 and is coming up for hearing in the first week of December, 1965. The other day when we were having the discussion on Supplementary Grants, you came to our rescue or rather you suggested that on such legal matters the House should have the opinion of the Law Minister or the Deputy Law Minister. Unfortunately neither the Law Minister nor the Deputy Law Minister is here today.

In support of my point of order, I wanted to quote some specific rule regarding Bills, but as I could not get

at them, I am quoting a similar rule relating to resolutions. I am referring to rule 175 which appears at page 73 of the Rules of Procedure. This rule pertains to resolutions, but I feel that this correctly applies also in the case of Bills. This rule reads thus:

"No resolution which seeks to raise discussion on a matter pending before any statutory tribunal or statutory authority performing any judicial or quasi-judicial functions or any commission or court of enquiry appointed to enquire into, or investigate, any matter shall ordinarily be permitted to be moved."

I rely on this rule 175. Supposing I want to move a resolution on a subject where some court of enquiry or some tribunal is going on, you, Sir, in your wisdom would never permit me to raise that question either in the form of a resolution or in the form of a question.

Therefore, my submission to you is this, that nothing is going to be lost if we do not proceed with this Bill now because the subject-matter is pending before the court. As very well explained by the hon. Minister, we have already sanctioned Rs. 20 lakhs, whether rightly or wrongly, correctly or incorrectly, legally or illegally, and that amount is enough for running the administration of the Metal Corporation of India. Therefore, I would ask whether the House should discuss this at this hour and agitate on the same Ordinance which is now sought to be replaced by an Act through this Bill, when this question is pending before the court of law, where the matter is *sub judice*?

Shri Hari Vishnu Kamath: The hon. Minister has said in the course of his speech that the operation of the ordinance has not been stayed by the High Court; I do not know, but be that as it may, assuming for the sake of argument that it is so....

Shri Sanjiva Reddy: It is so; I have got the correct information.

Shri Hari Vishnu Kamath: If that is so, may I invite your attention to the fact that a fruitful discussion of this Bill cannot take place unless we discuss at the appropriate stage every provision of the Bill? May I take, for instance, clauses 4 and 6 of the Bill: I shall not read them out since every Member has got a copy of the Bill.

The writ petition pending in the High Court urges many grounds. I have got with me a copy of the writ petition. There are a number of grounds there, but I shall read out only one of the most relevant ones. One of the grounds there is:

"That the provisions in section 4 and section 6 of the impugned Ordinance are illegal and *ultra vires* of the powers of the legislatures, inasmuch as it purports to provide for continuance of a pending proceeding or cause of action against the Central Government by the Central Government itself and further provides that the pending proceeding in this hon. Court of the petitioner Company against the Central Government would cease to be enforceable by the petitioner Company thereby affecting the jurisdiction of this hon. Court."

There are other grounds which have a bearing on the various provisions of the Bill.

Mr. Speaker: Are these provisions exactly on the lines of those contained in the Ordinance?

Shri Hari Vishnu Kamath: Yes.

Now, may I invite your attention to rule 352(i) which reads thus:

"A member while speaking shall not—

(i) refer to any matter of fact on which a judicial decision is pending."

The operation has not been stayed, but a decision is pending; that means

that it is *sub judice*. The resultant effect is that none of us here, and no Member on either side of the House, can refer to any matter of fact that is covered by any of the provisions of this Bill, because the decision is pending on various provisions and various facts connected with the management of the new company that Government have formed.

Government had already committed a blunder the other day. I am sorry that you were a little too late to rectify it; had you been in the Chair it would have been rectified in time. We then voted a grant for the Metal Corporation of India when the Bill had not yet been passed by the House. I do not want Government to commit a double blunder or a second blunder, because we wish to avoid, as far as possible, within the four corners of the parliamentary democratic set-up and the constitutional set-up that we have, even the semblance of a conflict between the judiciary and the legislature, between the judiciary and the executive, the three wings of the set-up.

Therefore, may I submit in all humility, so that we may build up the highest traditions in our infant parliamentary democracy, at this point of time, it will be wholly unwise, improper and perhaps illegal—that aspect I leave to you because you, Sir, with your luminous knowledge of the law, will be able to give a ruling on that point; but I will certainly say it is improper, undesirable, uncalled-for and unwarranted to consider the Bill? As to whether it is illegal or not, as I said, I leave it to you to give your ruling.

When the matter is pending in the court, when the entire matter is before the court—I do not know whether you have before you a copy of the writ petition, because that would help you to form an idea of the various grounds adduced bearing on each and every provision of the Bill—when the matter is before the court, we cannot speak on any of the provisions of

[Shri Hari Vishnu Kamath]

the Bill so long as a decision has not been given on these grounds mentioned in the petition before the High Court. Therefore, it will be an infructuous, otiose and useless—and also illegal—discussion that we would be having if we proceed further with the Bill at this stage.

Shri Daji (Indore): Without repeating the arguments, but generally supporting what has been said by Shri Kamath and Shri Banerjee, I wish to add two points.

First of all, we have just not yet got out of the lamentable controversy that cropped up after the UP affair, the controversy between the judiciary and the legislature. We are once again faced with a similar awkward situation. The ordinance has been challenged. A rule nisi has been issued though a stay order has not been issued—it was not sought also. The Supreme Court has repeatedly held—and this ruling has been followed by the various High Courts in India that once a rule nisi is issued and has gone out to Government, the court expects Government to cease to act contrary to the rule. It has been held in a number of cases that when stay orders have not been issued, the very fact of the admission of the petition and issue of rule nisi should operate to continue the status quo. That is the dictum of the Supreme Court followed by the various High Courts.

So let us not go by the technicality of a stay order not having been issued. The point is clear enough that when a rule nisi has been issued, it should operate to maintain the status quo. If we take up this Bill at this stage, we as the legislature will be doing something which will, really speaking, be a sort of rehearsal of the something which will, really speaking, be before the High Court in the first week of December. That being so, how can we do justice to the Bill?

You in your wisdom may not give a ruling—I am not seeking it—on the

constitutionality or otherwise of the Bill. But we will have to argue on each and every clause. Supposing the House after hearing our arguments passes the Bill, it will be virtually pronouncing on the constitutionality of the Bill, the provisions of which as embodied in the Ordinance are under challenge and the case is scheduled for hearing in the first week of December before the High Court.

Therefore, we are again faced with a very awkward situation, where this House is called upon to commit contempt of the High Court by discussing it before the High Court hears all the arguments and pronounces its verdict. Almost all the points which we have to refer to in our discussion here at this stage are also the subject matter of the writ petition pending before the High Court which has issued a rule nisi and is taking up the case in the first week of December for final adjudication.

Therefore, should the Lok Sabha at this stage be called upon to pronounce on the constitutionality or otherwise of the Bill which is already pending in the High Court, and thus once again create a situation that was created by the UP Assembly? Should we bring about a situation of conflict between the legislature and the judiciary or should we interpret our rules and the rules of the Supreme Court in order to bring about a harmonious relationship between these two wings of the state?

Hence my humble submission is that it will be very awkward for us to proceed with the discussion of the Bill just now. We may examine it after the first week of December after the court had pronounced its verdict. Then we can consider the merits of the Bill.

There are actually two points before us. One would be concerning the merits of the Bill and the other is the constitutional position. Every Member would have perfect liberty to speak on both points. But since

the constitutional validity of the Bill has been challenged in the court and a rule nisi has been issued, I do not know whether it would be advisable for us to discuss it just now. It is a matter not only of procedure but the vital one of laying down conventions and traditions as between the legislature and the judiciary, two wings of our Constitution.

Mr. Speaker: At this stage, only the points about the legality or the advisability might be stated.

Shri Kapur Singh (Ludhiana): As I understand, the matter of *fides* of the Ordinance, of which the Bill is only a replica, is going to be argued before the High Court. The matter, as far as the *fides* of the Bill are concerned, therefore, is *sub judice*. When we rise here to support this Bill or oppose this Bill—I propose to rise to oppose this Bill—we may be tempted to go into the *malis fides* of the Ordinance and the measure now before us. If we do so, we will be covering the ground which the High Court also proposes to cover in the writ petition. What complications it may raise is a matter for you to decide.

Shri A. C. Guha (Barasat): I generally agree with the points made by my hon. friends though I do not think they have any objection to the purpose of this Bill.

Mr. Speaker: That is not yet under dispute.

Shri A. C. Guha: I would like to draw the attention of the House to some of the wordings in sub-section 2 of section 4. By the passing of this Act all the properties vesting in the Central Government under sub-section 1 of Clause 4 shall by force of such vesting be freed and discharged from any trusts, obligations, mortgages, charges, liens and other encumbrances affecting it. I have no objection to this much. But it refers to any attachment, injunction or any decree or order of court. I do not think it will be proper at this stage when the whole case is before the court to take

any decision in this House to annul the decisions of certain courts imposing certain injunctions, attachment or decree about the property of the company.

Shri Sanjiva Reddy: My hon. friend the Deputy Law Minister will speak about the legal aspects. I have only to say that I have got it examined by the law department. It is not as if as a layman I am expounding law here. The Ordinance has the same constitutional effect as legislation passed by this House. If within six weeks it does not become an Act, it will lapse. It is not as if the Government wants to rush through this. The courts have a right to give a decision regarding the Ordinance and that is the same position with regard to Acts also. If we do not convert this Ordinance into Act, it would lapse and hinder steps taken by the Government to improve mining scarce materials needed by the country.

Shri Hari Vishnu Kamath: But they will be under-mining the Constitution.

Shri Sanjiva Reddy: There is nothing unconstitutional in this Bill. Even after it is passed the courts can still set it aside if there is something wrong. There is nothing now which prohibits this House from passing this into an Act.

The Deputy Minister in the Ministry of Law (Shri Jaganatha Rao): Sir, there is not much of any legal aspect left. The Ordinance was passed when both the Houses of Parliament were not in session and as laid down in article 123 of the Constitution it has to be replaced by an Act of Parliament. Therefore, the Bill was introduced. Simply because a person has gone to the court challenging the validity or the constitutionality of an Ordinance, it does not debar the Government from bringing forward a Bill to replace the Ordinance. If the Supreme Court strikes it down, certainly the Bill will also receive the same fate; but the Government need not stay its hands in the absence of

[Shri Jaganatha Rao]

a stay order from the Supreme Court restraining Government from bringing forth the necessary legislative enactment.

Mr. Daji referred to the impropriety and unconstitutionality. It is not improper. It is really proper and constitutional for the Government to come forward with a Bill to replace the Ordinance. No stay order has been issued. Simply because rule nisi has been issued, it does not mean that the Government cannot proceed further with this Bill. I do not see any valid objection at this stage about the validity of this Bill, much less about the merits of this Bill.

Shri S. M. Banerjee: May I say one word?

Mr. Speaker: We should close at some stage.

Shri Hari Vishnu Kamath: He wants probably to help you, Sir.

Shri S. M. Banerjee: I shall take only one minute. I was not in this House in those days, I think in 1952, when Shri N. C. Chatterjee raised a similar point about the Bengal Immunity Case. Government took a similar attitude, the Minister concerned and the Law Minister. Ultimately the Attorney-General was called in this House and he was asked to give his opinion. I only wanted to remind you of that.

Mr. Speaker: Two or three points have been raised. One is that the Ordinance had been challenged in the High Court and because identical provisions are incorporated in the Bill now before the House, we should await the fate of that Ordinance; if that is declared *ultra vires*, we should not proceed with it or it would be just waste of time...

Shri Daji: Holding ourselves to ridicule.

Mr. Speaker: Well, I will put in those words which he has said. Mr.

Daji's point was that a rule nisi had been issued and so the Government shall not proceed with it. It is not issued to us; it has been issued to the Government. It is for the Government. I do not say there is any contempt of court but it is implied that the Government has looked into it and if the Government wants to proceed with this, we cannot just debar it from doing so.

Shri Hari Vishnu Kamath: What about the propriety of that?

Mr. Speaker: Propriety also. The Minister and also the Deputy Minister brought this point that there was an Ordinance and unless it is passed within a specific period of six weeks, it would have no effect at all.

Shri Sanjiva Reddy: The court will have nothing to judge upon.

Mr. Speaker: So, Government has brought forward this legislation in order to replace that Ordinance. That is perfectly legitimate. The only question is that the same arguments that are to be raised there so far as the constitutionality or, as Mr. Kapur Singh said, the *mala fides* of the steps taken by the Government are concerned, they have to be discussed and hon. Members say that they will have to put forward the same arguments that are to be advanced there. They can challenge those facts that are stated by the Government in adopting this line or advising the President to pass that ordinance. But I do not think that can be a bar to preclude us from proceeding with this legislation. It is not that we cannot take up those arguments which are advanced there. The first thing is, the constitutionality or otherwise would be decided by the courts themselves: whether it is the ordinance or the law itself. If the same provisions of the ordinance are declared *ultra vires*, then those provisions will go automatically or the party can take them to the courts—this law as passed

—and then the proceedings may be lared *ultra vires*. There is no need to debar a court and we would not have done anything which comes into conflict with the judiciary in that respect, because we are not deciding that just now. At least, it is not for the Speaker to make a declaration whether it is in accordance with the Constitution, whether it is *ultra vires* or *intra vires*. The Speakers have never taken it upon themselves to take such a decision. The House takes a decision, but never on the point whether it is *ultra vires* or not. All the facts are combined together and everything is taken into consideration by the Members of the House. Therefore, even when it is declared *ultra vires* by the Supreme Court or by any high court, then too, it is not said that it has overruled any particular decision taken by it. Parliament may or may not just consider that aspect.

So, at this moment, I do not feel that there would be any conflict created between us and the judiciary if we only pass this law to replace that ordinance. Nothing has been pointed out to me. Shri Banerjee has quoted rule 175 in so far as he himself has admitted that it is regarding resolutions only. (Interruption). Shri Kamath has quoted rule 352(i) which says, "A member while speaking shall not refer to any matter of fact on which a judicial decision is pending." But what is that fact?

Shri Daji: The *mala fides* of the Government; *mala fides* were alleged in the writ position and we will allege it here.

Mr. Speaker: There too, it is alleged, and nobody could be stopped from making those allegations on that account. These also have been alleged there. They would not be precluded from advancing those arguments and imputing those motives. They may do it.

Shri Daji: Under rule 352(i), they are bound by it.

Mr. Speaker: That is not so; they can refer to the intentions of the Government, whatever they think.

Shri Daji: The rule should be suspended for this purpose.

Mr. Speaker: I do not think there is any need to suspend or withhold that rule. Without that, we can proceed with the Bill, though certainly the judiciary shall have their own job to perform and they will just decide the case on merits and on whatever they think proper. At this stage, I do not think there is any bar.

Shri S. M. Banerjee: Could we not get the opinion of the Attorney-General? It will delay matters only for a day. I only want for future guidance. Let the Metal Corporation be taken over, as all other corporations.

Mr. Speaker: That would be a matter only for argument's sake.

Shri Hari Vishnu Kamath: Sir, I rise to seek a little clarification, arising out of the ruling under which certain guide-lines have been laid down by you in regard to the discussion of this Bill. Permit me to state that the Government is wholly and solely responsible for having landed the House in this contratemp in this difficult situation, and may I request you to enlighten us on one point, because you will be retiring for a short while and you would not be in the Chair? The Deputy-Speaker is here, it is good; he will be listening to your ruling. May I ask, in discussing this Bill, whether Members will, if necessary, be permitted to violate or infringe rule 352(i) to which I have referred, by referring to some facts like expenditure being incurred etc.?

Mr. Speaker: I have suggested that they will be free to make their observations, whatever they like, and rule 352(i) will not come in their way of just imputing motives or saying anything to that effect.

Shri Hari Vishnu Kamath: It will not apply at all?

Mr. Speaker: I do not say that it would not apply at all. I am saying that it cannot come in the way of their advancing arguments, whatever they like.

Shri Hari Vishnu Kamath: It will be a good precedent for the future.

Mr. Speaker: I do not think every point has to be decided like that. Every point will have to be decided on its own merits. How can I say anything for the future? In future, probably Shri Kamath may be able to persuade the presiding officer in a better way!

Shri Daji: That the ordinance has to be replaced by law is not an inevitable difficulty. Till the 18th December, it will hold good. After that, Parliament may adjourn, or it would have adjourned by that time. What is important is, Parliament has to maintain the highest traditions, and follow the conventions. After all, for such a simple thing, they can wait, and we should not be in a hurry. *(Interruption).*

Mr. Speaker: Order, order. Shri Kapur Singh.

Shri Kapur Singh: Mr. Speaker, Sir, after having heard the hon. Minister who has moved this Bill, it affords me greater pleasure,—than I had initially anticipated—out of opposing this Bill. I will not only controvert the facts on which the hon. Minister relies but also try to refute the reasons which he advanced for moving this Bill.

But before giving the specific reasons for opposing this Bill, I may be permitted to preface my speech with a statement on transformation in my political credo which is very relevant in this case. When a young man, I was a socialist and a thoroughgoing believer in nationalisation. I ardently believed that the affairs of

the community must be administered as to further the interests of everyone. Secondly, I heartily agreed with the inter-war intellectuals of the twenties and thirties of this century that public ownership on a large scale was the only way to expand public production rapidly, eliminate unemployment and make possible the achievement of social security. Lastly, I belonged to that religious fraternity to which the hon. Minister seems to belong for whom impotence of capitalism and cupidity of free enterprise is a pre-supposition of all sensible political discussion, as well as political action.

12.57 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

Now, although I still adhere to the first article of this trinitarian credo, I have outgrown the other two. I now realise the truth of the dictum that 'he who is not a socialist at 20 has a hard heart, but who is one at 40 has a soft head.'

This transformation came about in my credo through a realistic understanding of human nature, with which all political theory must make peace, if it is to make sense as a practical political programme. I can best illustrate this point by submitting, with reference to this Bill, that though apparently a socialist measure, to all intents and purposes, it is an expropriatory, vindictive measure, *mala fides* conceived, to damage grievously a private enterprise, under the control of citizens of a minority community, who in this case happen to be Sikhs.

The true intention of this Bill is far from any furtherance of common good which is trotted out in the printed Objects and Reasons of this Bill. Maximisation of production of certain non-ferrous metals and meeting the requirements of national emergency are pretexts comparable to quotation of scriptures by a certain distinguished gentleman who

has his hoofs covered with pointed black shoes and his tail tucked up in the latest fashion dinner-trousers. His Christian name is, Lucifer. Let me explain myself.

This Metal Corporation of India was born, as I understand it, in the year 1944, during the second world war, under conditions which were similar to the conditions which prevail now in India. That is to say, it was born to meet a national emergency, when zinc and lead—metals of strategic importance—could not be imported from outside and attempts, therefore, had to be made to acquire as much self-sufficiency in the matter of these metals from home production as possible.

13 hrs.

There was an ancient story prevalent that bronze was invented in India and it was this story which gave the clue to the rediscovery of the mines which are now called Zawar mines in Rajasthan.

It was in 1956 that as desired by the Congress Government of India, the industrial enterprises of the late Defence Minister Sardar Baldev Singh acquired 49 per cent interests in the Metal Corporation of India with a view firstly to provide capital to expand production and secondly to run it more efficiently in other respects. Thus, the production was more than doubled up from 200 tons of ore milled per day to 500 tons of ore milled per day.

Further and further expansion was sought to be stepped up by this Metal Corporation and that is how it should have been—through foreign collaboration and increase of internal capital, till in 1961, the Metal Corporation of India raised fresh equity finances of about Rs. crores to, which the Indian Finance Corporation added a deferred loan of Rs. 1 crore in foreign exchange, guaranteeing further similar loans upto Rs. 4.5 crores.

This is the beginning of the sordid story of perversion of the ethical con-

tent of socialism through State control, to which I referred in the beginning of my speech. My information goes to suggest that it was at this stage when the company rose to higher proportions that another big business concern, which is no stranger to the ruling party, developed interest in the Metal Corporation of India, but the Sikh entrepreneurs evinced no readiness to oblige them. Then, these Big Business friends of the Congress Party, sought guidance from insights gained by poets into the nature of reality. As is known, these particular big businessmen are men of culture, men of learning and men of high religious sensitivity. There is a poet who has said:

"The House of wealth has many rooms,

And most of them are full—

'But some get in by the door marked 'push'.

And some by the door marked 'pull'.

"Pushing" having failed here, the "pulling" seems to have obliged.

The rest of the story is easily and briefly told. All steps were taken by the Government to further the desire of these....

Shri Hari Vishnu Kamath: On a point of order, Sir. When an interesting speech is being made by Shri Kapur Singh, there must be quorum in the House.

Shri Kapur Singh: I support the point of order. When I am speaking, the treasury benches must be full.

Mr. Deputy-Speaker: The bell is being rung... Now there is quorum. He may continue.

Shri Kapur Singh: As I was saying, the rest of the sordid story can be easily and briefly told. Two drastic steps were taken by the Government to frustrate the Metal Corporation of India: (a) Necessary loans which were promised to be given were held up and (b) sale of Metal Corporation of India's products at open market

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rates was prevented through illegal and *mala fide* price controls and allocations. The Metal Corporation was thus choked up and starved and paralysed, with the result that its share value fell. At this stage, the government thought, perhaps advisedly, that this was the proper time to purchase it at the market share value in 1964.

The Indian Steel and Wire Products Limited, who by now held a block of 45 per cent shares represented on the inequity of the whole procedure and offered to part with their shares and interests in this company through a certain proposal. They made a proposal which, I understand, was accepted or at least described as reasonable by the Cabinet Secretary, that the assets of this particular concern should be handed over for valuation by some international firm of repute and on that valuation, the assets may be taken over by the government or transferred to the government. But, instead of proceeding with this proposal, the Government of India was further annoyed and issued another ukase which they called the Scarce Industrial Materials (Control) Order, 1965, fixing the price of the lead-metal products of the Metal Corporation of India at almost 25 to 30 per cent of the open market price. Thus, the Company's operations were brought to a standstill by starving them out of their legitimate recurring income that could enable them to function. It reminds me of a saying by Rudyard Kipling, which seems to be justified amply by the conduct of this government. Rudyard Kipling has said, "the bleating of sheep, earmarked for his next meal, merely irritates the tiger". All the entreaties, all the representations, and the reasonable offers of the Metal Corporation of India, when they were repeatedly made to the Government of India, merely succeeded in irritating them and annoying them further. They

took more and more drastic action to starve and kill the Metal Corporation.

Then there follows a long story of control order after control order. All these control orders were manifestly *mala fides* and illegal and eventually obliged the Metal Corporation of India to close its business for the time being.

It was at this stage, on the 8th October, 1965, that the Government of India notified that they had decided to take over the Metal Corporation of India on the alleged ground that the company had failed to meet its loan commitments. The true position was and remains that the government made it impossible, through its executive high-handedness, for the company to convert its easily saleable commodities into cash and declined to pay legitimate price-dues receivable for allocations made since 1954. I have papers before me which give approximate computations of these dues which, if they had been paid to the company, the company would not only have been solvent but would have been able to carry out its expansion programmes and its operations without any sort of burden on the Government or any outside agency.

It was this position which forced this private enterprise to knock at the doors of the High Court on 12th October, 1965, by way of a writ petition, challenging the price fixation and arbitrary allocations as utterly illegal. This writ petition has been admitted, as has been admitted in this House, by the court and is fixed for hearing some time in early December, 1965.

These legal proceedings, and not the trumpeted public interest, have given rise to the Metal Corporation of India (Acquisition of Undertaking) Ordinance, 1965, No. VI of 1965, promulgated in the sixteenth year of the Republic of India.

Sir, in the Statement of Objects and Reasons, in the concluding paragraph, the hon. Minister, who is moving this Bill, has claimed:

"As Parliament was not in session, the undertaking of the Metal Corporation of India was acquired under an Ordinance, namely, the Metal Corporation of India (Acquisition of Undertaking) Ordinance, 1965 (6 of 1965). It is now proposed that the Ordinance be replaced by an Act of Parliament."

My information is that this decision to promulgate an Ordinance was taken by the Minister, and this decision was recorded in a government file, on a day and date when this Parliament was still in session. I would expect, and I would request, the hon. Minister to answer this point with regard to the particular facts so that this House may know as to whether it is being treated with the due respect to which it is entitled.

In the Statement of Objects and Reasons, eight specific grounds are listed as justifications for bringing forth this Bill. I have tried to analyse them. The first one is:

"It was found that the company would require about Rs. 6 crores in rupee finance and Rs. 1 crore in foreign exchange to complete the project."

This fact is true.

The second is:

"It was also found that the company had ordered much of the equipment, some of which had arrived and was awaiting erection; some was lying at Bombay Port and incurring demurrage and some was awaiting shipment for want of letter of credit."

The facts are true, but the reasons for these facts are as I have already explained.

The third is:

"The company had taken several loans, defaulted in the repayment of loans and in meeting the payments due on deferred loans and was in serious financial difficulties."

The facts are one-sided, while the other side of the case I have already related before the House. The fourth is:

"Any further loan to the company as asked for by it was, therefore, considered inadvisable."

This, if I might say so, is not honest reasoning.

The fifth is:

"Besides, the company was unable to raise additional equity to match the loan capital."

This, Sir, I also controvert as a fact which is not true.

The sixth reason given is:

"For want of finances, the construction work on the scheme had almost come to a standstill."

The real fact is that it was want of finances and this want was caused by the oblique actions of the Government itself.

The seventh reason given is:

"Serious shortages of zinc metal developed in vital sectors of Defence and industry following the aggression by Pakistan and it also became apparent that imports of this metal even on a limited scale may not be possible."

This is true.

The final, and the eighth, reason given is:

"Exploration of the area and the development thereof would

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require large investments. The company was unable to complete even the limited scheme it had undertaken for the exploration of the deposits."

The first part of this statement is true, while the second part as well as the difficulties to which it refers were the deliberate creation of the Government itself.

Sir, the information which I possess seems to justify me in alleging that the whole of this story, in the context of what I have explained, is a forgery of socialism and public control of means of production. It is a faithful copy of socialism but a forgery because of the presence in it of intent to deceive.

I request the Minister to answer the following questions to clear his position before this House can grant that this Bill has been presented *bona fide*. My first question is: why was Ordinance issued at all when the next session was coming on, a couple of weeks later, the 3rd November? The hon. Minister has explained that he did it because he wanted to accommodate in some way, for payment of bonus, wages and things like that, to the employees of the corporation. I would like to know whether it is a fact that the employees were being paid regularly even before this Ordinance was issued. Secondly, though the control of 14th September, 1965 has been there, but has even a metric ton of lead or zinc been allocated to or lifted for defence purposes? If not, where are the *bona fides* of this Control Order? Thirdly, if lead and zinc are important for defence purposes, are not copper and aluminium equally so? Why are not copper and aluminium companies then being taken over by the Government? Is it because the latter belong to persons of a certain community, while M.C.I. belongs to a minority community? Fourthly, why is zinc electrolytic smelter under in-

stallation at Karala not being taken, over if zinc must be nationalised in public interest? Are the reasons communal? Fifthly, is the new proposed Corporation going to be wholly Government-owned, or after acquiring controlling interest, the Government propose to offer about 49 per cent shares to public; and, if so, is this word "public", in this supposition, going to be the same industrial concern or business magnate to whom I had made a reference in the beginning of my speech? My sixth question is, why do Government propose to sink about Rs. 20 crores in this undertaking when advance of the Rs. 4 crore loan being withheld will enable the existing private enterprise to go into fully required operation? Where is the "public interest" in this proposal to nationalise? My seventh and last question is, will Government give an undertaking that it will sell zinc at the ridiculously low price that they have been asking the M.C.I. to sell under duress of control orders?

Lastly, I say that principles of valuation set out in the Schedule to this Bill are highly inequitable in the following respects: (a) They take no account of intangible assets and initial losses: (i) Even in the best managed concerns, including those in the public sector, there are always considerable losses in the initial years; (ii) Such losses in the initial years are an 'intangible' asset, being the price one has to pay to establish an industry; (iii) In the present case these losses have been maximised by the deliberate action of Government in not allowing proper prices for the company's products; and, (b) The Schedule lays down that all buildings, and all erected plant, machinery and equipment etc., shall be valued as cost less depreciation at income-tax rates. This is monstrous because: (i) no mining and smelting concern can ever earn full depreciation in the initial years; (ii) the rates of depreciation for purposes of income-tax are excessively high; while being fair over

a long period of years they do not afford an equitable basis of valuation in the short term.

Sir, it has been said that modern socialism is merely inverted greed. This Bill and its background would seem to justify this quip. I oppose this Bill in its entirety.

Shri A. C. Guha: Mr. Deputy-Speaker, Sir, before I proceed to say anything on this Bill, I should reply to one point made by Shri Kapur Singh. I think he sees communalism and minority community in every matter. There was a small trouble at Durgapur and there he saw an issue of a minority community because a Sikh was also killed.

Shri Kapur Singh: It was not a small trouble. Three people were mercilessly killed. You cannot say it was a small trouble simply because they belonged to a minority community.

Shri A. C. Guha: In this Bill also he has brought in communal matters (*Interruptions*). I also held my opinion on this matter.

Shri Kapur Singh: If he considers that murdering of Sikhs is a small matter, then I protest.

Shri A. C. Guha: I feel, and I request Shri Kapur Singh to consider, that the Sikhs are not a minority community in India. They are a reformist section of the Hindu society and every Hindu considers Guru Nanak and Guru Gobind as saints belonging to the Hindu society.

Shri Kapur Singh: You murder them and then say that they are great men.

Shri A. C. Guha: It will be better for Shri Kapur Singh to be realistic.

Coming to the Bill, I give full support to the intention of the Bill. I feel that it is rather belated. Such a

measure should have come much earlier. Then, the scope of the Bill is very much limited. While India is rich in coal and various metals, so far as non-ferrous metals are concerned India has a deficit. Further, these non-ferrous metals are scarce and of strategic value. Only 30 to 40 per cent of the installed capacity of some of our industries are being utilized because some of the non-ferrous metals necessary for final production are not available to those industries.

When that is the situation I should say that the Government have so long been toying with the problem. In 1955 the Non-Ferrous Metals Control Order was issued under, I think, the Essential Commodities Act. But, then, it was extended only to copper; not to zinc, lead, sulphur or other non-ferrous metals. When the definition of "non-ferrous metal" includes all those items, why this Order was extended to operate only on copper and not on zinc, sulphur or lead? These are also as scarce and essential as copper.

Government failed ignobly in having any control over the price or distribution. The entire distribution method of the Government was illogical and irrational. I would not like to go into these matters very elaborately now but I should record my view here that it seems that there has been no policy for the Government as regards the control either on price or on distribution of non-ferrous metals. The Scarce Materials Control Order 1965 has been passed only two months ago. I hope they will enforce the provisions of this order efficiently and effectively so that there may be real control over the price and distribution of these metals.

Shri Sanjiva Reddy, I am rather sorry to say, while introducing the Bill made a very small speech, covering only some of the reasons for the urgency for taking over the Corporation. I should have expected him to give the House a sort of resume of the policy of the Government in the

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matter of production, distribution and control on price of non-ferrous metals.

The Third Five Year Plan has given some idea of the development of non-ferrous metals, particularly, copper, lead and zinc, on page 516 of the Plan. It says:

"Drilling and exploratory mining work done at Khetri (Rajasthan) and in Sikkim have proved the existence of about 28 million tons of copper ore (average copper content 0.8 per cent) in the Khetri area and about 0.35 million tons of ore containing on an average 6.24 per cent of copper, lead and zinc in Sikkim."

I do not know what action the Government has taken for the exploration of those ores after locating those precious metals in Khetri and Sikkim.

On page 470 of the plan it is stated:

"The smelter and the electrolytic refinery associated with the Khetri and Daribo copper mines for an annual production of 11,500 tons of electrolytic copper are likely to be established by the middle of 1964."

I would like the hon. Minister to state to this House how far this target has been achieved. So far as my knowledge goes, the only source of copper for the Indian Metal Corporation is a unit in Ghatsila somewhere in Bihar. I do not think any copper has come out of the Khetri and Daribo projects which, according to the Third Plan, were scheduled to go into operation and production by the middle of 1964.

Coming to zinc, the annual capacity of the Metal Corporation Plant was 15,000 tons. It is also equipped to operate a by-product sulphuric acid plant based on the smelter gases which will be used for the manufacture of phosphatic fertilisers. I do not know what action has been taken in this regard.

Coming to the Company itself I know this Company has not been able to fulfil the task that has been entrusted to it. Since it is not possible for a private company to fulfil that task, if the Government had decided to leave it to the private company, the Government should have been ready to give it proper protection and subsidy. No metal industry, I mean any basic industry for extraction of metal, can be successful within 10 or 15 years without proper protection by the Government. Even during the British days the Tatas were getting bounty from the British Government. I recollect Shri Motilal Nehru arguing in the Central Assembly from this Hall in favour of extending the bounty to Tatas and the British Government accepting that suggestion. If the Government decided to leave the development of zinc and lead, so useful for the industry, to a private company what have the Government done all these years to help this company to go into full production and become an economic and viable unit?

In the Statement of Objects and Reasons attached to the Bill, in the Minister's speech and also in the explanatory statement for the issue of the Ordinance, laid before the House, reasons have been given justifying the issue of an Ordinance. It is stated that this Corporation has failed to fulfil its obligations. The Industrial Finance Corporation is a Government assisted company or corporation of the Government. I do not think the IFC would have entered into such big commitments as giving a loan of about Rs. 1 crore and guaranteeing some deferred payment loan of about Rs. 5 crores without the consent of the Government of India. Did the Government then not envisage what would be the financial consequences of placing an order with a French firm for imports worth Rs. 6 crores? Then, the Indian Steel and Iron Products entered this company as a partner some years ago—I think in 1958—

with the knowledge and consent of the Government of India. I know it for a fact. Why did the Government not take any action then? Why did the Government then not make an estimate as to whether this company with its small capital of Rs. 2 crores or Rs. 3 crores would be able to extract zinc and lead to meet even a portion of the requirements of our country? This is a grave failure on the part of the Government on such a strategic sector of our industry.

In 1950 our production of copper was 3,60,000 tons. In 1964 it rose to 4,41,000 tons; only an increase of 80,000 tons in 10 years. In the case of lead it was 2,000 tons in 1950; it rose to 6,000 tons in 1960. In the case of zinc concentrates our production was 2,000 tons in 1950. It rose to 10,000 tons in 1960 but the capacity of this Corporation was much more. Moreover, for years this Corporation was allowed to send zinc concentrates to Japan and get it back refined as zinc sheets from Japan, which was a huge drain on our foreign exchange. Why was it allowed and why early steps were not taken for the setting up of smelting arrangements for the company itself?

Then, another point is this. It is for about three years that machineries from the French collaborator has started coming. Some of them have come; some are lying in the Bombay Port incurring huge demurrage; some, I think, are in the process of being despatched, but as the corporation could not find sufficient finance the French company has not been despatching them. Are we to expect that Government should watch the situation for three years when during these three years every year we were losing Rs. 3 crores or Rs. 4 crores worth of foreign exchange because of the non-production of zinc which could have been produced by this Corporation? It is a great failure, I might say. There is something wrong in the Administration. I do not know why the Government of India have

been so indifferent about the development of this company and of this industry. I do not mind about owners of this company. X, Y or Z may be there or may not be there. I feel that this sector should be under Government control; not only this one, but other non-ferrous industries also—whether it is the Ghatsila Copper Corporation or any other smelting factory started in Kerala with Canadian collaboration or any other non-ferrous metals industry started either by the Birlas or by the J. K. Group or by any other group with any foreign collaboration for the production of aluminium. All these should be brought under the control of Government and should be developed by Government. If it is a decision of Government that steel should be a monopoly of Government, why should not non-ferrous industry be a monopoly of Government? It should be realised that no steel could be produced without some element of zinc. It should be realised that for the production of steel some element of tungsten or some other non-ferrous metal is necessary. So, if the Government decides that steel should be a monopoly of Government, non-ferrous metals also should be a monopoly of Government and that decision should be implemented at an early date. We expect that this Bill may be only the beginning of the first step of that process.

About this company Shri Kapur Singh said many things. I do not like to enter into all those matters, but one thing which strikes me is that this company was asked to supply its entire products to the Tatas and Indian Iron at a fixed price which was very much below the free market price prevailing in India; and it was the allegation of this company that it was suffering loss on that account. It has also been questioned through their legal advisers. I do not like to enter into that question; but, why instead of subsidising this company, if at all the Government had decided to leave the production of zinc and lead to a

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private company, did the Government put each handicaps on this company by fixing a minimum and uneconomic price for the entire products of zinc to be supplied to two big companies? I think, from the national point of view, it is a bad economy; from the administrative point of view, it was a wrong step that was taken.

I do not like to believe in all the gossip current. Generally, I do not take much interest now in the proceedings of the House. I have not the time; I am occupied otherwise. I have not seen anybody from this company,—but others have come and casually told me that because of some pressure of big industrial magnates, somebody in the Government administration has put all these handicaps on this company. I hope, this is not true. I think, the Minister will try to clear all these allegations. Why was the company made to supply the entire products of its zinc to two big industrial concerns, the Tatas and Indian Iron, at a price which was uneconomical and much below the free market price in India?

Shri Sanjiva Reddy: Above the world market price.

Shri A. C. Guha: May be; but we are not getting many things here at the world market price. Sir, he refers to the world market. The cost of production of copper in the world market is below £100, but the London Metal Exchange and the USA Commodities Exchange—these two bodies—control the entire supply of non-ferrous metals though the cost of production of copper is less than £100, per ton, they fixed the price at £230 and then raised it to £308. The free market price here is £500 per tone of copper; so, why does he mention the international price or the foreign market price? He has not been able to enforce the international price here. We should consider the free market price as prevailing in India and that price has been prevailing with the connivance of the Government.

The Rajasthan Government and the Industrial Finance Corporation have great financial stakes in this company. They made repeated requests to Government to revise the price. The Tariff Commission submitted a report in 1962. But no action was taken either on the request of the Industrial Finance Corporation or of the Rajasthan Government or on the Tariff Commission's Report of 1962. Moreover, in 1963 the Government itself set up a committee to report on the price fixation of zinc. This committee submitted its report some time in March 1964 and no action has been taken since then.

So, late in the day, when everything has gone wrong, the Government has come up with this Ordinance putting all the balances on the Corporation. There has been enough of bungling in non-ferrous metals production, by torpedoing of the development programme of the Third Plan; there has been chaos in the distribution, import, price control and manufacture of zinc, lead and other non-ferrous metals by the Government. I hope that this will be the first step for the full control of non-ferrous metals by the Government of India as demanded by the Industrial Policy resolution. I do not care who is the proprietor or who may be the beneficiary. They will be given some fair price or fair compensation according to our Constitution. That is assured; I do not worry about that. But in the national interest I feel that all these things should not have taken place much earlier. This company, if at all it was entrusted with the charge of developing zinc and lead, should have been given proper opportunity, proper scope and proper subsidy to develop these. That would have been in the interest of the nation. Now we are faced with a very difficult situation in respect of zinc, lead and sulphur. There is no direct source of supply of indigenous sulphur; it should have been developed and extracted from pyrites. I read out from the Plan Report that the target was so much; nothing has been done so far. So, I

hope, Government will now arise to the situation and take effective steps so that these non-ferrous metals' production, distribution and price control may be effectively done.

Shri Daji: Sir, Shri Kapur Singh has called it "the result of invested greed".

Shri Kapur Singh: All socialism is.

Shri Daji: All socialism is, according to him. According to me, this is not a socialistic measure at all, nor is it a measure of nationalisation; it is a measure of vindictiveness and pettiness, it is a measure of how the top monopolists of our country, the Tatas and Birlas, alone can rule the Government and do have the preponderant influence in the archives of the Government of India.

Shri Kapur Singh: Shame.

Shri Daji: One of the reasons which this Ministry has trotted out, or has been led to trot out, is that this company could not meet its commitments running into a few lakhs or crores of rupees. I would like to know what this brave Minister, Don Quixote of a Minister, who is trying to tilt at this small windmill, has done to realise 10 crores which have been appropriated by the Tatas, Rs. 10 crores by IISCO and Rs. 5 crores by that engineering company which makes certain components and other things.

Shri Hari Vishnu Kamath: Sancho Panza is also there.

Shri Daji: You do not touch them; you dare not touch them. What have you actually done? What is the case? The case is that you have fixed prices at such uneconomic levels.

Shri Sanjiva Reddy: There is a half-an-hour debate. They have given notice of that. I think, Tata loans could be discussed separately then. We are now discussing the Metal Corporation . . . (Interruption). I am only saying that better opportunity will be discussed then; I have no objection.

Shri Hari Vishnu Kamath: The Speaker has rightly ruled that rule 352 will not come in our way; practically it is his mandate and we are free to infringe that rule also. We are glad, he raised that point.

Shri Daji: One of the ways in which Akbar's wise Prime Minister Birbal caught a thief was to say that some cotton was sticking up in the beard of the thief and immediately the real thief started combing his beard. So, as soon as I mentioned the name of the Tatas and the non-recovery of dues, the guilty conscience of the Minister pricked up and he jumped to defend the Tatas. What more open advocacy of the Tatas can be seen than the Minister jumping and asking me not to speak about the Tatas?

Shri Sanjiva Reddy: I only said that there is going to be a separate discussion on that.

Shri Daji: You have not been able to realise crores of rupees given to Tatas and IISCO. When the Government has not been able to realise crores of rupees from them, this Company is being nationalised because it cannot meet its commitment. I am not against nationalisation. As far as I am concerned, you nationalise all companies including IISCO and TISCO. But under the cloak of nationalisation, vindictiveness is practised and that vindictiveness has got to be laid back.

What has been done? Absolutely uneconomic price was fixed for the production of this Company—3½ per cent plus the landing cost. When was that? When the international market price rose and the ruling market price was high, at that time, 6 years old recommendation of the Tariff Commission was brought in. If 3½ per cent plus the landing cost was a fair price, why not apply it to ball bearings, why not apply it to automobile industry, why not enforce it in the case of all such commodities? Why should there be a distinction? And who benefited by this low price?

[Shri Daji]

Again, the Tatas and the IISCO, the friends of the Government, to whom the Government have advanced the interest-free loan of Rs. 10 crores and have not been able to realise that. Because the Government by repeated order forced them to make deliveries to IISCO and TISCO at this reduced price, they reduced them to the point of absolute bankruptcy and uneconomic working. When they pointed out continuously, "This is an uneconomic price and we cannot work on it", the Government did not hear them and they allowed that concern to run into difficulties.

Then, the Minister referred to the talks with the Cabinet Secretary, the sub-Committee and the Secretary of the Mines Department. Let me inform him—he may not be knowing it; I want to give him the benefit of doubt as a criminal lawyer—that one term offered to this Company was; "You take Birla into partnership or we will expropriate you." It is because this Company did not agree to kneel down before Birla and did not do what Mr. Dharma Vira asked them to do that this is being nationalised. If a small entrepreneur of the country refuses to knuckle down to the knees of Birla and Tatas, the real owners of this Government, he is expropriated.

Shri Hari Vishnu Kamath: It is a serious charge.

Shri Kapur Singh: Nevertheless, true.

Shri Daji: I would like to point out one thing to this House. I do not know how many Members of the House know it. There is a book called the Geological Survey of India of 1962 published in 1964, and there is a volume on Copper, and the Government of India Survey shows that the Indian Copper Corporation apparently owned by Birlas is being managed by none other than the South African foreign companies, the bankers of Rhodesia's Prime Minister, Mr. Ian Smith.

Shri Kapur Singh: Shame!

Shri Daji: That has got to be nationalised. This is the Government publication.

Shri Hari Vishnu Kamath: The Government should quit on this issue.

Shri Daji: We have broken up connections with South Africa and when you want to champion the cause of Africans and when Chinese gain a diplomatic victory in African continent, you bemoan the fact. But why should not China steal a march over such a Government of India?

Shri Sanjiva Reddy: Let him not get emotional. Let him give the facts.

Shri Daji: I will read it out from the publication, the Geological Survey of India of 1962 which was published in 1964. In the volume on Copper, on p. 55, there is a clear mention that the Indian Copper Corporation's technical managements are the New Consolidated Goldfields South Africa Ltd. It is a foreign company in South Africa belonging to the bankers of the Rhodesia's Prime Minister, Mr. Ian Smith (Interruption). Anyway, it is a South African company.

Shri Sanjiva Reddy: They are producing it in India.

Shri Daji: Yes; they are the technical experts of the Indian Copper Corporation.

Shri A. C. Guha: He is referring to the Copper Corporation of India of Ghatshila. Originally, it was owned by a British Company. But I do not know the present position. I also suggested that this company should be nationalised by the Government.

Shri Daji: Right; that is the point. I support every argument that was advanced by Mr. Guha. Mr. Guha really made a very outspoken and good speech. He has relieved half of my task.

What I am pointing out is this. The point is that one Company is being nationalised in the name of defence requirements and national defence while another Company producing equally strategic material, that is, copper, which is also required for our defence and which is owned by Birlas and technically managed by the South African company . . .

Shri A. C. Guha: Which has also not developed according to the target.

Shri Daji: . . . is being left out. This is what we call vindictiveness. Again, another private company has been allowed in Kerala. What is the policy of the Government? It is by collaboration with Canadian and British consultation. You allow that to go on; you allow the Indian Copper Corporation to go on though its technical collaborators and advisers are a South African company and you nationalise this Company. And you say this is socialism. This is not only a mockery of socialism but this is a prostitution of socialism. It is by such acts as these that this Government plays into the hands of the Swatantries and allows them to hold up the very concept of socialism to ridicule.

Shri Sanjiva Reddy: Shri Kapur Singh is getting the reply. He is replying to him.

Shri Daji: I want to know whether article 14 permits the action of the Government or not. That is the point. Therefore, this Bill raises the entire question, as has been rightly done by my friend, Mr. Guha, of the culpable guilt of this Government in not developing our non-ferrous metal industry in our country despite three successive Five Year Plans. You have miserably failed; you have absolutely failed in this matter. The Pakistani attack helped by America and England has been really a blessing in disguise. Now, the Department has started thinking of a crash programme for the development of non-ferrous metals and it is thinking of allotting Rs. 250

crores in the Fourth Plan. Even if this Rs. 250 crores plan materialises at the end of the Fourth Plan, we shall be hardly able to meet just 50 per cent of our requirements. With the growing engineering industry, with the growing defence industry and without a non-ferrous industry in our country, how can we be self-reliant in the matters of defence? Uptill now the Government has been culpable and has left the entire question of non-ferrous metal trade in the hands of American and British vested interests who have been able to manipulated the prices towards our disadvantage, as rightly pointed out by Mr. Guha. When the cost of production was only 100 pounds, the selling price was 320 pounds. The Government slept over it, did nothing and it only tinkered with the problem—a refinery here, a smelter there; a small mine here and there and all that. The schemes laid down in the Five Year Plan have not materialised. I want the explanation of the Government. Should this House not, at this critical juncture in India's history, when everyone is shouting about food self-sufficiency and defence self-sufficiency—miss a meal a week and grow wheat in the flower pot—know where are you going to grow non-ferrous metals? Where? Will it be in the orchards of the Government of India or in Birla's house? This Bill does not solve the problem it seeks to solve. It talks of ethics, but the whole thing stinks; the action of the Government stinks; the steps taken by the Government stink because before the High Court, Government gave an undertaking through their counsel, a solemn undertaking at the bar of the High Court, that before the 20th October, they would lift all the accumulated stock of this Company. This was done in respect of the stay application moved by this Company. The stay application was rejected by the High Court on the affidavit filed by the Secretary endorsed by the counsel of the Government that the stocks to the tune of 1100 tonnes, accumulated by the Company, would be lifted before 20th October since they were

[Shri Daji]

required for Defence purposes. The stay application was rejected and on the 24th you bring this Ordinance and take it over. Do we understand that, when the affidavit was filed the Government had no schemes of passing this Ordinance? Was this Ordinance cooked up within seven days? We want an explanation. Why was this affidavit filed? Who was the officer who filed this affidavit and who was the legal officer who gave this solemn undertaking to the High Court? How is it that upto the 3rd November, not a grain of stock was lifted or moved and not a single order was passed. Do we allow or will this House allow the officials of the Government to play ducks and drakes with our justice also? Do we understand that the Government is using no equitable principle while appearing before the High Court and filing writ petitions vis-a-vis private citizens? Only the other day we were told that the Finance Secretary, Shri Bhootalingam, was going about in America pronouncing a policy which was against the policy of the Government. Now here is a Secretary who files a false affidavit before the High Court and here the House is asked to endorse the Ordinance which in lieu of the affidavit filed before the High Court. This is called nationalisation and socialism. If this is nationalisation and socialism, I cannot say what brand it is; it is a bullock-cart brand. Therefore, the whole question of non-ferrous metal should be looked into. This is not enough. This explanation of the Government, this lame explanation of the Government that the mines were closing down and the workers were being made unemployed and so that Government had moved in, is not at all convincing. On this again we have complained so many times to the Minister. I may even say that the workers employed by the Indian Bureau of Mines, which is a Government concern, have not been paid wages for more than three months continuously. I have already given in writing a complaint to this very Minister and have also met and complained to the Deputy

Minister; yet they have not been paid. If the mine workers, who are working in the jungles are not paid their wages for three months continuously, how can they eat or purchase their rations? Nothing was done there. Now it is said that this Company was not able to pay wages and, therefore, the Government is nationalising. I do not think that the nationalised industries are paying their workers regularly. Public sector is the worst guilty employer because the Labour Department is also paralysed; the Labour Department cannot do anything with the public sector employees. So do not tell us this thing or bamboozle us with this. Tell us the real reason.

First of all prices are manipulated so that the company crashes; when the company crashes, they are called and asked to take a senior partner; when they refuse, it is nationalised. Therefore, this is State monopoly capitalism working in the service of the monopolists of our country. Is it in the interest of Tatas that you give them zinc at any economic price? Is it in the interest of Birlas who want to become a zink in addition to copper king? If not directly to Birlas, it goes to them through the Birlas' Government. This is not the way for the honest industrial development of our country. Therefore, this crime, culpable crime, on our non-ferrous metal industry has to be put an end to. There should be bold plans to develop the industry as a whole by taking it away from the imperialist stronghold, both in the matter of supply and prices.

This is one of the ways of neo-colonialism, i.e., supply us materials at exorbitant prices and take away the materials at lower prices. This is how our adverse balance of payments arises. This is how the foreign exchange difficulty arises. If you want to meet that, you have got to take a bold programme of lifting the entire thing out of the grip of the Anglo-American monopolists and also their

local satraps who are building small smelters in Kerala, here, there and everywhere, with the help of South African, American, Canadian and Rhodesian technical collaboration. Really a national non-ferrous metal industry is the need for the hour. Therefore, take over the entire industry, the whole thing, and develop it as a national industry for our Defences and for our growing engineering industry, for making India self-sufficient. We shall proudly march forward as a free, strong nation. But do not give those arguments of crippling one industry and say that this is socialism.

Mr. Deputy-Speaker: Shri H. C. Mathur.

Shri Hari Vishnu Kamath: Before Mr. Mathur starts speaking, may I request you to direct the Minister to ascertain, before he replies to the debate, whether the allegation made by my hon. friend, Shri Daji, with regard to South African and Rhodesian participation, and make a statement in this House, because it is a very serious matter? The other day the Minister of External Affairs said that Government would apply economic sanctions against Rhodesia, but here we are helping them to perpetuate the slavery of Africans.

Shri Harish Chandra Mathur (Jalore): We just heard two fiery speeches from the Opposition benches making serious allegations and it is really very difficult to match their eloquence or the enviable advocacy of Shri Daji. It is for the Minister to answer. I hold no brief regarding serious allegations that have been made. My esteemed friend, Shri Guha, made a really authentic, a matter-of-fact speech to every word of which I am in complete agreement. If you sift all that has been said, whether it was by Mr. Daji or by Mr. Guha the allegations apart, the motives, apart, we will come to one definite point i.e. that it is in the national interest to take over this Corporation.

Without entering into any ethics of public sector verses private sector, I

should say, this Government has already a clear-cut and well defined policy. We do want the public sector in a big way so far as basic industries are concerned. I do venture to submit that, if any hon. member of this House would care to pay a visit to this mining area, even if he is an avowed supporter of the private sector, he will return with no other recommendation but one that it is expedient in the national interest to take over this Corporation and work it. I had occasions to visit this area twice anxious as we were to see that something comes out, but there has been a complete stalemate for a long time. It is in Udaipur in Rajasthan; it is one of the very vital sectors of our industry. Whether it is Defence or industrialisation, there are two very important projects in Rajasthan—one is the copper project at Khetri. I do not know how far I am correctly informed, but my friend, Shri Daji, will possibly be a little happy to know that where Birla was interested (in Khetri) and was making certain efforts to retain it, it was taken over by the Government much earlier; it is a public sector project now. I had spoken to the Minister about it many a time, and I had also been putting quite a few questions here. It was not only our people here but even those people from outside, those foreign collaborators who could be of any assistance to us were not very much interested in this project, and they raised so many questions and queries and made certain suggestions which just prolonged the investigation stage, and we never got going as a result of it. Certain parties from the USA were interested in the copper project, as you possibly know, but until and unless the Minister took an active personal interest and was goaded by Parliament and by some of us, nothing happened, and now with the French collaboration, something is making a move. I think the fate of the zinc smelter and the zinc mines was a little worse. Nothing has been done at all and there has been a complete stalemate for such a long time.

[Shri Harish Chandra Mathur]

14 hrs.

I do not see why the hon. Minister should have been apologetic before this House or before anybody else for having taken over this project. If anything, he can only be accused of the very belated action which he has taken in this matter. We have been asking questions of the Rajasthan Government who have interest in this and we have also been asking questions of the Central Government. I do not know the inner story, whether it was in the interests of Birlas that things were prolonged or not. But I think that it was absolutely not within the competence of the company to have progressed at all even if we had advanced a loan of some crores of rupees to them, which was not being given by any sound financial institutions; even with the loan they could not have gone ahead.

Further, the trouble between the corporation and the Government was not so much on the question of taking over. As a matter of fact, those proprietors—if I have been wrongly informed, my hon. friend who has a much better brief and a much better acquaintance may correct me—were not against the concern being taken over. For a long time that is what I have been learning from those who are in the highest authority and who are concerned with it. The only question was about the terms on which this corporation was to be taken over. So far as the parties were concerned, they wanted certain definite terms and a certain return and a certain compensation for certain amounts which were considered to be infructuous and wasteful expenditure by the governmental agencies. Therefore, there were certain protracted negotiations about it, and nothing could be done. When the urgency and the need for it was felt, the corporation had to be taken over. If we do away with the passions and if we do away with everything extraneous particularly to this corporation, I am

sure we shall agree that the step taken by Government was the right step. As for the complaints and the allegations made, perhaps they may be correct and they may be looked into; it may be that we may have to go a step further. But so far as the question of taking over of this corporation is concerned, there is no need for Government to be apologetic about it. They can only be accused of the belated action which they took. It is absolutely in the national interest that Government have taken over this corporation.

Shri Daji: They are apologetic because they are taking over only this corporation.

Shri Harish Chandra Mathur: I had given a very good example earlier, which should satisfy my hon. friend. I do not want to go beyond my State; Birlas are from Rajasthan. But fortunately they have not been able to take this over, and they have been driven out of Khetri also.

Shri Hari Vishnu Kamath: They are operating all over the country.

Shri Harish Chandra Mathur: They have been driven out from there. Perhaps they may be operating elsewhere; I do not know, I am not interested in it. But I think the House ought to give its fullest support to the taking over of this corporation. That is my plea with the House and the House should support it because it was in the national interest.

I would like to submit to the hon. Minister that we have generally a sorry and sad experience when these companies are taken over as public sector projects. Certain personal equations and personal interests go a long way. I would, therefore, urge the hon. Minister that he should really have sound men and the right men at the right place and see that we get going in a real manner. There must be people who know the subject and who have a drive and imagination. We have already lost a

considerable amount of time on this project. The crying need of the country today is that something must be done about it urgently, and we shall be happy if the hon. Minister in the course of his reply assures us of how the administration is going to be run to the satisfaction of the country.

श्री मधु लिमये (मोंचिर) : उपाध्यक्ष महोदय, यह जो विधेयक हमारे सामने धाया है उस के पीछे जो बातें हैं और आस कर यह निजी क्षेत्र और सार्वजनिक क्षेत्र का जो मसला है उस के बारे में मैं कुछ कहना चाहता हूँ ।

अभी एक माननीय सदस्य ने मिसाल दी कि कई कम्पनियाँ हैं, सरकारी कम्पनियाँ भी हैं, जो अपने मजदूरों को मजदूरी नहीं दे सकती हैं । इस सम्बन्ध में बम्बई का एक बड़े मूती मिलों के ग्रुप की बात मैं करना चाहता हूँ । इन्दू मिल्स ने एक तारीख को अपने जो कारकुन है उन को तनख्वाह नहीं दी और दस तारीख को मजदूरों को जो तनख्वाह देनी चाहिए भी वह नहीं दी । 22000 मजदूर हैं और उन के ऊपर एक लाख लोग करीब करीब निर्भर करते हैं । हम लोग एक घण्टे से यहाँ मांग कर रहे हैं कि इस पर बहस की जाय और इन्दू मिल्स को सरकार द्वारा अपने हाथ में ले लिया जाय । एक दफा उन मिलों को ले लिया गया था और जो कि घाटे में चलती थी व्यवस्था ठीक न होने के कारण, बंद इंतजामी के कारण और उन को ठीक स्थिति में लाया गया । जब इंतजाम ठीक किया गया तो नफा होने लगा और फिर निजी क्षेत्र में इन मिलों को दे दिया गया । फिर उन्होंने सारा मामला चौपट कर दिया कमिशन वगैरह आदि । सरकार इन्दू मिलों के बारे में कोई कार्यवाही करने के लिए तैयार नहीं है । बार-बार लोगों में कहा जाता है कि इस का जल्दी में लो ताकि मजदूरों को जो तकलीफ है वह दूर हो । लेकिन यहाँ हम देख रहे हैं कि तरह-तरह के कारण बना कर इस एक कम्पनी के

राष्ट्रीयकरण की चर्चा की जा रही है । अब जहाँ तक राष्ट्रीयकरण का सवाल है मैं यह बिलकुल साफ़ कर देना चाहता हूँ कि जब तक नियंत्रित निजी क्षेत्र और सीमित सार्वजनिक क्षेत्र का यह सिलसिला चलता रहेगा मिश्रित षर्ष व्यवस्था बाला, तब तक यह देश चौपट होता चला जायेगा । क्योंकि यह मिश्रित षर्ष व्यवस्था और कांग्रेसी समाजवाद क्या है ? यह नक्राब अब उतर गयी है और एक गंदा नीकरमाही और पूँजीवादी बेहरा हमारे सामने धाया है । इसलिए निजी क्षेत्र और सार्वजनिक क्षेत्र के बारे में अब यह लोक-सभा फैसला करें । चौथी पंचवर्षीय योजना में और पाँचवी पंचवर्षीय योजना में, जल्द से जल्द, जितने बड़े उद्योग हैं उन का राष्ट्रीयकरण किया जाये । क्योंकि टाटा, बिड़ला जैसे बड़े-बड़े उद्योगपतियों के हाथ में अब तक बड़े कारखाने रहेंगे, बड़ी पूँजी रहेगी तब तक सरकारी अष्टाचार अभी खत्म नहीं हो पायेगा । इसलिए मैं चाहता हूँ कि निजी क्षेत्र के बारे में और सार्वजनिक क्षेत्र के बारे में एक नई नीति सरकार धरनाये और दो पंचवर्षीय योजनाओं के अन्दर यह जितने बड़े उद्योगपति हैं और जितने बड़े उद्योग हैं उनका तत्काल राष्ट्रीयकरण कर लें ।

आज इन को 2 तरह की सूहलियों दी जाती है । इस्को और टिस्को के कर्जों के बारे में सवाल पूछे गये । हमारे सामने यह माननीय मंत्री श्री मंजोब रहे हैं धाये हैं जो कि एक के बाद एक, दो सुझाव ऐसे लाये जिससे पता चलता है कि सरकार की समाजवाद सम्बन्धी नीति तो एक बहाना है । असल में पूँजीपतियों के हाथ में यह सरकार खेल रही है । मेरा मंत्री महोदय में निवेदन है कि इस कम्पनी का अगर वह राष्ट्रीयकरण करना चाहते हैं तो ठीक कर दें किन्तु साथ-साथ यह जो टाटा, बिड़ला और दूसरे जो बड़े-बड़े पूँजीपति हैं उनकी कम्पनियों को भी तत्काल हाथ में ले लें ।

[श्री मधु लिमये]

दूसरी बात मैं आपसे निवेदन करना चाहता हूँ कि केवल कुछ कम्पनियों का राष्ट्रीयकरण करने से समाजवाद नहीं आने वाला है। समाजवाद का मतलब समानता से है तो जब तक निजी क्षेत्र में प्रौर सावजनिक क्षेत्र में सम्पत्ति के केन्द्रीयकरण पर, ग्रामदनी प्रौर खर्च पर जब तक रोक नहीं लगाई जाती है तब तक कुछ नहीं होने वाला है। क्या समाजवाद में एक जो प्राथमिक स्कूल का मास्टर है वह 60-70 रुपये कमाये, जो झाड़ू चलाने वाला भंगी है, मेहतर है वह 50 रुपये कमाये प्रौर निजी क्षेत्र में ऐसे लोग हों जिनकी कि एक दिन की ग्रामदनी एक लाख या डेढ़ लाख से ज्यादा हो? प्रभी इस्को के बारे में ले लीजिये। इनके मैनेजिंग एजेंट है मार्टिन ऐंड बर्न प्रौर उस, के एक हिस्सेदार बीरन मुकजी साहब है तो इन को आप देखिये कि मैनेजिंग एजेंसी का कितना कमिशन मिलता है? इसलिए यह सारी जो बातें हैं उन से इस बात का पता चलता है कि केवल राष्ट्रीयकरण से प्रौर वह भी सीमित राष्ट्रीयकरण से समस्या हल नहीं होगी, बल्कि साथ-साथ सरकार को ग्रामदनी प्रौर खर्च पर भी रोक लगानी पड़ेगी।

इन दिनों राष्ट्रीयकरण के नाम पर, सावजनिक क्षेत्र के नाम पर, नीकरशाही का विस्तार बड़े पैमाने पर हो रहा है। कुछ दिनों के पहले मैं ने वित्त मंत्री से एक सवाल के द्वारा यह जानकारी मांगी थी कि 15 अगस्त, 1947 से अब तक सचिवालय में सचिव, संयुक्त सचिव, प्रतिरिक्त सचिव, प्रवर सचिव आदि अधिकारियों की संख्या म कितनी बढ़ीतरी हुई है। उन्होंने जो आंकड़े दिये हैं, उनसे पता चलता है कि इन घंटागृह सालों में उन अधिकारियों की संख्या में साढ़े तीन गुना इजाफा हुआ है। इस के साथ ही उन्होंने यह भी साक किया है कि उन

अधिकारियों के समान, तत्सम, अफसरों का गुमार इसमें हम ने नहीं किया है।

उपाध्यक्ष महोदय : वह भलग बात है।

श्री मधु लिमये : सावजनिक क्षेत्र में विभिन्न कम्पनियां बन रही हैं। उन में जितने सरकारी अफसर हैं, उन की तनकवाहों, भत्तों, कम्पनी के खर्च पर जो वे इधर-उधर घूमते हैं प्रौर मीज-मस्ती करते हैं, उन पर जब तक रोक नहीं लगाई जाती है, तब तक केवल इस सीमित राष्ट्रीयकरण के विधेयक से कोई फायदा नहीं होगा। इस के पीछे बुनियादी नीति के जो सवाल हैं, उन के बारे में मंत्री महोदय अपनी कोई नीति प्रकट करें।

Shri Alvares (Panjim): Mr. Deputy-Speaker, it would be an oversimplification to confine ourselves to the fact that Government have stepped into this trade and attempted to nationalise it. The mere fact of taking over the Metal Corporation of India into the public sector does not guarantee its use for the people on the lines that any public sector corporation is expected to do. If the main administration of the public sector corporation is left to Government, then the working of the Metal Corporation of India, before its take over, goes to prove that even government participation or government control, even though of a limited character, can make nonsense of public sector enterprises. Therefore while we must say that in the taking over of the Metal Corporation of India, Government have initiated a policy to control the production and distribution of non-ferrous metals in this country—to that extent, this is a welcome measure—we do hope that through the working of the corporation as a public sector corporation, dealing with such important and strategic base metals as zinc and lead, there would be introduced some rational and proper distribution system in order that these scarce metals may be made available to the industries that need them most.

But what is of importance at this stage is the manner in which this

entire scheme, which is known as the Metal Corporation of India, was bungled from the beginning. In the provisions of the Bill, you will come across a clause whereby Government will refer to a tribunal the method by which compensation is to be paid. Let me take this question of payment of compensation for those who have bought equity capital in this Corporation. Government will pay them at the present market value. What is that value? How will that be determined? Anybody knows that the market value will be determined by the performance of the company. Who is responsible for the performance of this company? We have here on evidence that the Tariff Commission recommended a certain rate for the supply of zinc and lead to the market. But on account of a government order, the rate was reduced to such an extent that in one single transaction the Metal Corporation of India lost Rs. 3 crores. This has been repeated everywhere. Not only has Shri Daji said that this scarce metal was supplied to certain companies at a certain rate which was not recommended by the Tariff Commission, but the Government of India at one stage tried to control the company by buying up the shares of the Indian Wire and Steel Products company—or by whatever name it is called. It is made out in the petition that the Indian Wire and Steel Products Co. owned 45 per cent of the shares of the Metal Corporation of India. Now, I want to ask Government: having known that a certain other company called the Indian Wire and Steel Products Co. owned 45 per cent of the shares of the Metal Corporation of India, why did Government have to go out to purchase the Indian Wire and Steel Products Co. rather than directly purchase the remaining 55 per cent of the shares in the open market? On the one hand Government agree that monopolism is growing in the country; on the other, they are trying to buy up a monopoly got a monopoly holding in the Metal Corporation of India, thereby en-

couraging monopolistic tendencies in the country. If Government wanted, they could have surely gone to the market and purchased the remaining 55 per cent of the shares. I am sure that then this transaction would have come about easier than because of the rejection by the Indian Wire and Steel Products Co. of Government's offer.

Now, the entire working of this company must come in for a little scrutiny. This company has been functioning for some years. It has also been given loans to a very larger extent, by the Industrial Finance Corporation of India. While during all this period, the company made no progress, what was the Company Law Administration doing in regard to this particular aspect? Were not the transactions of this company scrutinised by the Company Law Administration? Does not the Company Law Board scrutinise all applications or keep a note of all applications made from time to time to the IFC or other corporations? Does not the company law administration, in giving licence for the production of lead and zinc, keep a statistical survey of the progress the company has made, the losses it has incurred, the demand it is making and the protection it has sought? If the company law administration had been wide awake during all this period, I am sure that the present situation would never have come about. After all, in the present context of planning, all applications for equities are first vetted by the Government of India. Subsequently also, when a company wants to raise fresh loans by way of equity capital, it is again the Department of Economic Affairs that must give the clearance. This company had repeatedly applied for raising extra capital. If Government had either agreed or rejected the application for increase of capital by issue of equities, why did Government not go into the working of the company? If it did, and in one instance rejected the application, what did a Govern-

[Shri Alvares]

ment do for the last 5-6 years in respect of a company charged with the responsibility of producing lead and zinc, two vital strategic materials both for defence and for the industrial development of the country? This question must be answered before we accord our support to this Bill, because essentially this state of affairs could have been avoided if the company law administration, if the representatives of the Government of India, if the representatives of the Government of Rajasthan had been more vigilant and taken a little interest in the progress of this company. As a matter of fact, it is obvious that a number of political pressures have been brought to bear on the working of this company. When we have the Rajasthan Government owning 10 per cent of the shares, when the Cabinet Secretary himself had something to say in regard to the price and in regard to the issue of share capital, I cannot understand how this company was allowed to go on from 1958 to 1964 with a state of affairs in which no private sector company would ever be allowed to exist. If that is so, if the House makes this assessment that the Government of India was partly responsible for this state of affairs the shareholders are bound to ask the question. If the government could control the affairs of the company at various stages, should it not accept the liability for the drop in the share value, market value. This is a test case for the future investors who invest money as capital in new companies and they will be guided by this. No company, as I said earlier, could issue equity shares in the market unless the government vets the application and gives the green signal. If in such circumstances of very tight capital market, investors come forward and invest their savings, it becomes the responsibility of the government of India to a very large extent to make all efforts to see that the investors' money is safe and the company does not go to the dogs or liquidation. Here is a case

in point; the company raised capital at one time and another time and a big loan was given to it by the IFC which is a Government of India undertaking. I cannot understand why neither the representative of the Rajasthan government or the Central government nor the IFC, which always secure the loan in some manner or the other, did not exercise the vigilance necessary or give protection to the capital invested by the public of this country. Therefore, when the government is taking over this concern and goes to arbitration, I hope it will be able to pay all those equity shareholders their full paid up capital because the primary responsibility of maintaining the viability of this company and of the issue of share capital and of production and pricing is all that of the government and it cannot escape its responsibility for this state of affairs in which this Corporation finds itself. Therefore, while we welcome the taking over this Metal Corporation of India as a move in the direction of firm control over the non-ferrous metals in the country, we must at the same time demand that the government be censured for bringing a state of affairs in the company whose capital value was over Rs. 5 crores. The investors must be protected in the bargain and the government should set up a commission not merely to find out what is to be done in the future but also to investigate what share of guilt is to be put on the Rajasthan officials and what share, on the government of India and the trustees of the IFC for the mess in which this company is now in.

श्री ह० च० सोब (सिंहभूम) : उपाध्यक्ष महोदय, मैं बड़े उद्योगों के राष्ट्रीयकरण का हिमायती हूँ। यह अच्छी बात है कि देश के हित में हम लोग राष्ट्रीयकरण कुछ चीजों का कर रहे हैं। लेकिन जैसा कि धीरे धीरे माननीय सदस्यों ने कहा है कि सही मानों में राष्ट्रीयकरण करने से अगर

लाभ की प्राप्ति हो, तभी राष्ट्रीयकरण किया जाना चाहिये अन्यथा नहीं। इस केस में कहा गया है कि जहां तक पूंजी इकट्ठा करने की बात थी, उस को यह इकट्ठा नहीं कर सकी और साथ ही जो भी पूंजी बर्ज में इसने ली थी उस का यह रिपेमेंट नहीं कर सकी। इन तथा अन्य कई कारणों से जिन को यह पूरा नहीं कर सकी पिछले 21 वर्षों से, इसलिए वह राष्ट्रीयकरण करने जा रहे हैं। एक तरफ तो यह कहा जा रहा है और दूसरी तरफ जैसे मरननीय दाजी ने कहा है टाटा और इस्को जैसी बड़ी कम्पनियां हैं जिन्होंने करोड़ों रुपया सरकार से लिया हुआ है और जिस का धाज तक बँ सूद भी धरा नहीं कर पाई है तो क्यों नहीं उन के साथ भी उसी तरीके से पेश करते हैं। अभी हाल ही में मंत्री महोदय जमशेदपुर गए थे और मैं समझता हूँ कि जमशेदपुर में अपना अधिकतर समय उन्होंने टाटा कम्पनी के अधिकारियों के साथ गुजारा था। मैं उन से जानना चाहता हूँ कि अपने जमशेदपुर के इस दौर के समय क्या उन्होंने इस सम्बन्ध में कोई बातचीत की थी या नहीं की थी? जब हम राष्ट्रीयकरण की बात करते हैं और कहते हैं कि कम्पनियां गलती करती हैं कई मामलों में वहाँ हम को यह भी देखना चाहिये कि सरकार के विभागों से भी गलतियां होती हैं या नहीं, सरकारी विभाग भी गलतियां करते हैं या नहीं करते हैं।

माइनिंग एक्ट के अन्तर्गत अगर कोई प्राइनिंग लीड लेना चाहता है तो उस को उसके लिए दरखास्त देनी होती है। दरखास्त देने के नौ महीने के भीतर यदि उस पर विचार नहीं होता है और उस को लीड नहीं मिल जाती है तो उस के बाद वह दरखास्त रद्द समझी जाती है। अगर एक बार दरखास्त रद्द हो जाए इस तरह से और लीड लेने वाली कम्पनी चाहे कि उस की दरखास्त पर फिर से विचार हो तो उसे

रिन्युअल पेटिशन देनी पड़ती है और फिर से ऐसा देना पड़ता है। इस तरह से कई लीड मांगने वाली कम्पनियों को लगातार लीड के लिए वैसे देने पड़ते हैं और एक प्रथाचार की जड़ पैदा हो जाती है। उनकी दरखास्तों पर विचार ही नहीं होता है और लोगों को रिन्युअल के लिए दरखास्तें देनी पड़नी हैं और वैसे भी साथ में देने पड़ते हैं। मैं एक मिशाल जानता हूँ। एक कम्पनी ने साइम स्टोन की लीड के लिए बिहार में पलामू मिल में दरखास्त दी। दरखास्त पर यह कहा गया कि इस पर विचार नहीं हो सकता है क्योंकि सरकार स्वयं एनेलेसिस कर रही है, स्वयं इस को एनेलेसिकली देख रही है कि वह स्वयं इस लीड को लें या न लें, स्वतः इस को करें या न करें। क्या सरकार इतना भी नहीं समझ पाती है कि जब उस के सामने लीड की बात आए उस से पहले ही वह उस पर विचार कर ले

उपाध्यक्ष महोदय : यह ध्यान बात है।

श्री ह० ७० सोय : मैं यह कह रहा हूँ कि आप यह देखें कि सरकार के काम करने के ढंग क्या हैं, उस के काम करने का सिद्धान्त क्या है।

उपाध्यक्ष महोदय : यह माइनिंग लीड के बारे में बिल नहीं है।

श्री ह० ७० सोय : सरकार के काम करने के तरीके पर हम विचार कर रहे हैं। मैं यह कह रहा हूँ कि लीड के लिए दरखास्त देने से पहले ही सरकार को यह सोच लेना चाहिये कि वह स्वयं उसको करेगी या नहीं। जर्मिनसाल मीने दी है वह इन्वी के बारे में है। लीड वालों को कई रिन्युअल दरखास्तों के बाद कहा कि वह स्वयं एनेलाइज करेगी और देखेगी कि प्राया उस एनेलेसिस के तरीके ऐसे होते हैं या नहीं कि सरकार के मायक लेने की वह लीड है या नहीं और

[श्री ह० च० सोय]

अगर होगी तो सरकार ले लेगी। क्या सरकार को इतनी भी धक्का नहीं है कि वह स्वयं ही पहले से इस पर विचार कर ले ? पहले से ही वह इस पर स्वयं विचार क्यों नहीं कर लेती है। पार्टियों को बेमतलब व्यय परेशान करना कहां तक न्यायसंगत है ?

धार्ड० सी० सी० कारपोरेशन के बारे में भी कहा गया है। इसके राष्ट्रीयकरण की भी मांग की गई है। मैं इससे सहमत हूँ। धार्ड० सी० सी० ऐसा एक कारपोरेशन है जिस का अविलम्ब राष्ट्रीयकरण होना चाहिये। अभी कहा गया है कि राष्ट्रीय हित में किसी चीज का राष्ट्रीयकरण जरूरी हो तो वह किया जाता है। यदि ऐसी कोई चीज है जिस का कि राष्ट्रीय हित में राष्ट्रीयकरण किया जा सकता हो। तो मैं कहूंगा कि धार्ड० सी० सी० कारपोरेशन है जिसका राष्ट्रीय हित में राष्ट्रीयकरण किया जाना चाहिये और अविलम्ब किया जाना चाहिये। उस में काम करने का जो ढंग है उस को विशेष जांच कर घ्राप देखें। कितनी कम्पनियाँ हमारे यहां हैं जो कि काइनाइट के मामले में काम कर रही हैं ? धार्ड० सी० सी० के धन्दर तमाम चोरियाँ होती हैं और बहुत घांघली चल रही है। काइनाइट ऐसा खनिज पदार्थ है जो कि हिन्दुस्तान में सिर्फ बसों मिलता है। इसका उपयोग प्लास्ट फरनेस बगैरह में किया जाता है। यह बहुत ही बहुमूल्य खनिज पदार्थ है। ऐसे बहुमूल्य खनिज पदार्थ का अगर राष्ट्रीय हित में उपयोग हो सकता है तो उस का एक ही तरीका है, राष्ट्रीयकरण कर दिया जाए।

जिक और लैड के बारे में जिन कारणों से घ्राप यह कर रहे हैं मैं चाहता हूँ कि इस पर घ्राप को फिर से विचार करना चाहिये और जिन चीजों के बारे में मैंने अभी कहा है उन पर भी विचार करना चाहिये। बिहार में साइम स्टोन की लीज के सम्बन्ध में जो घांघली मचाई जा रही है उस पर

पुनर्विचार हो। सरकार के लीज देने का जो ढंग है उस को घ्राप देखें। लीज करने का जो ढंग है और हर नौ महीने के बाद लीज की जो दरखास्त है वह रद्द समझी जाती है, यह नहीं होना चाहिये। अविलम्ब उचित संशोधन किया जाना चाहिये। लीज की दरखास्त तब तक रद्द नहीं समझी जायेगी जब तक सरकार इस पर पूर्ण विचार नहीं करती है। बार बार दरखास्त रिन्यूअल नहीं कराई जाये।

इन बातों के साथ चूँकि घ्राप राष्ट्र के हित में इस का राष्ट्रीयकरण करना चाहते हैं इसलिए मैं इस बिल का समर्थन करता हूँ।

उपाध्यक्ष महोदय : श्री बनर्जी।

श्री युद्धवीर सिंह (महेन्द्रगढ़) : उपाध्यक्ष महोदय, मैंने नाम दे रखा है लेकिन मुझ को बँठे हुए एक घंटा हो गया है।

उपाध्यक्ष महोदय : माननीय सदस्य बँठ जायें, उन को पार्टी के मेम्बर बोल चुके हैं।

श्री युद्धवीर सिंह : कोन बोल चुका है। कोई नहीं बोला है।

Shri Hari Vishnu Kamath: Nobody from his party, that is Jan Sangh, has spoken.

Mr. Deputy-Speaker: Very well; I have now called Shri Banerjee.

Shri S. M. Banerjee: Mr. Deputy-Speaker, Sir, I oppose this Bill on two or three grounds. Even at the time when this Bill was to be introduced in this House, I rose on a point of order and raised my objection on two grounds.

Mr. Deputy-Speaker: The point of order is over. He may now speak on the Bill.

Shri S. M. Banerjee: I have been asked by the Speaker to state those points during my speech.

I still feel that the Ordinance was brought at a time when it was known to the hon. Minister and the House that the Lok Sabha was going to meet on the 3rd November, 1965. In respect of this Ordinance, if I have heard the hon. Minister correctly, he said that this company, the Metal Corporation of India Limited, did not pay wages to its workers for two months. If this is an offence—and it is an offence, no doubt about it—may I tell the hon. Minister that in Kanpur itself, Muir Mills Limited headed by the big Singhania have not paid wages to the workers for the last three and a half months, and still not even an investigation has been conducted and no instructions have been issued even after the assurance that Rs. 40 lakhs will be given for working capital to Singhania to reopen that mill.

I support nationalisation, and I would have been extremely happy, I would have given my unconditional support to this Bill, and I would have really congratulated the hon. Minister had I known that they want to nationalise all undertakings producing non-ferrous metals.

श्री श्रीकार लाल बरवा : उपाध्यक्ष महोदय, हाउस में क्वोरम नहीं है ।

Mr. Deputy-Speaker: The Bell is being rung—Now we have quorum. Shri Banerjee may continue.

Shri S. M. Banerjee: I was submitting that I would have been the happiest person had I known that this Government would nationalise all the non-ferrous metal undertakings. My friend Shri Daji has very correctly brought the question of the other corporation which is headed by a big industrialist. If the affairs of this Metal Corporation of India Limited are so bad, I would like to know why it was not taken over long ago, why negotiations were going on, and why assurances have been given not only

to the managing directors of this concern but even to the Chief Minister of Rajasthan that the affairs of this company will be improved and Government will give proper financial aid to this company through the various agencies. I really want to know what is behind this whole thing.

Two things, zinc and lead, are needed for defence and armament purposes. If that is so, what happened after the promulgation of the control order of 1965! The idea was to freeze or to take over the entire stock on the ground that these two things were needed for the purpose of defence and armaments. I would like to know whether it is a fact that after this control order was issued in September, 1965, even after that, not an ounce of zinc or lead has been lifted from this place for the purpose of defence. If that is so, what was the need of issuing this control order? Is it to fix prices? And in the court of law the writ petition was opposed by Government on the ground that this was needed for the emergency, to meet our defence needs, and because of the abnormal conditions prevailing in the country the chances of import were dwindling. This was one of the grounds on which it was opposed. So I want to know from the hon. Minister, and I want a categorical answer whether it is a fact that nothing has been lifted, whether zinc or lead, for the purpose of defence and, if so, what is the reason for it?

Then, my second point is about this particular Corporation. . . .

श्री श्रीकार लाल बरवा : उपाध्यक्ष महोदय, सदन में क्वोरम नहीं है ।

Mr. Deputy-Speaker: The Bell is being rung—Now there is quorum. Members who come in must sit at least for some time; they should not walk out immediately the proceedings begin.

Shri Banerjee may continue.

Shri S. M. Banerjee: The second point is. I want to know from the hon. Minister whether a new corporation is being formed by the Government with the registered office in Rajasthan and, if so, what will be the composition of this corporation. I want to know this only because I feel that some big industrialist, who was after this corporation, who wanted to get in but who did not get a place, and who was instrumental in bringing this ordinance or the pressurised the Government—it may not be the hon. Minister, but the governmental machinery—is going to be included in the corporation. I want to know whether he is going to be included in it, or, if somebody is going to be included in this corporation and this corporation is not going to be run cent per cent by Government agencies. I do not know why this ordinance was brought or why this Bill is before this House. That is why I was opposing this. Otherwise, the object is laudable.

But now, the hon. Minister has stated in his opening speech that the affairs of this company were in the doldrums since 1944, if I have heard him correctly. What steps were taken to improve and give them the technical knowhow or financial assistance, or to take over this company in 1957 or in 1958 or even in 1959, when they wanted more money from the Government through the Finance Corporation? Is it a fact that the Panning Commission recommended a loan? Is it a fact that a technical committee was appointed, and what is the report of that committee? Is it a fact that whether one of the members gave a note of dissent and, if so, I would like this House to know what were the notes of dissent and why a dissenting note was given by one of the members. Today, when our country is moving fast towards raising the industrial output, and when the defence of the country is of vital importance to us, and if non-ferrous metals are not so much available in our country, then it is high time that all these projects which are manu-

facturing non-ferrous metals were nationalised. But why this particular company has been singled out? This reminds me of a story in this House, when we raised the question of land acquisition ordinance. I remember one industrialist was to be helped by this Government and just to acquire the land of a private citizen, an ordinance was brought to Parliament and Parliament was approached for it, and the dates were known; we discussed it for seven days in this House, and the hon. Shri S. K. Patil, the then Minister of Food and Agriculture, had to amend the Bill in many ways. The Attorney-General was brought into this House. He was consulted and I am sure he had to accept many amendments moved either by the Opposition or by the Congress groups. Opposition to this particular Bill is coming not from us, and not on a parochial basis and not on other considerations but from all quarters, whether from the Treasury Benches or from the Opposition, because we feel that the object may be laudable but yet, this is being done because of the pressure of some agencies. I would, therefore, request the hon. Minister to allay our fears and to clarify certain things and especially those two points which I raised, namely, whether an ounce of zinc or lead was used for defence purposes after the control order was passed and stocks seized, and then, whether the corporation is being formed and, if so, what will be its composition. These are the two points which agitate my mind, and I feel that unless these things are replied to, it will be difficult for me to lend my support to this Bill.

I shall refer to one more point and I shall have done. I am told that there is some correspondence between the Chief Minister of Rajasthan and the hon. Minister in this matter. If it is not strictly confidential, a copy of that correspondence should be laid on the Table of the House, so that we may know why the Chief Minister of Rajasthan lent his support to this corporation which was to be taken

over by the Central Government or by the Government of India by an ordinance. In this case I find that there is some contradiction between the State Government and the Central Government. I do not know who is wrong or who is right, but was the fact that this ordinance was to be brought known to the Chief Minister of Rajasthan who lent his support and who had all appreciation for this Zawar mine and other things? I do not know what is happening. I would request the hon. Minister to kindly clarify this.

When I oppose this Bill, I should not be misunderstood that I am opposing nationalisation. I stand for nationalisation, but at the same time, I stand for nationalisation for a good purpose. What should be the basis? It should be done with a move to help the people, help the public and not to have another corporation and have some group of pensioners on top of it and then give a bad name to the institution as has been given in the past.

श्री श्रीकर लाल बरवा : उपाध्यक्ष महोदय, हाउस में कोरम नहीं है।

Mr. Deputy-Speaker: The Bell is being rung—Yes; now there is quorum. The hon. Member, Shri Yudhvir Singh

Shri S. M. Banerjee: Sir, I should not be misunderstood if I leave now: I have to go at 3 p.m.

श्री एडवोकेट सिंह : उपाध्यक्ष महोदय, यह जो बिल हमारे सामने आया है, इसके ऊपर दो तीन घंटों में जितनी चर्चाएँ हुई हैं उन में प्रथम प्रथम मंत्रियों के द्वारा बहुत से ऐसे पहलुओं पर विचार किया गया है जिन का सम्बन्ध सरकार की अपनी मूल नीति के साथ है।

जहाँ तक इस कारपोरेशन के राष्ट्रीयकरण का सवाल है, जहाँ तक इस बात का प्रश्न है कि इस का सारा का सारा इन्तिजाम सरकार अपने हाथ में ले ले, इस बारे में जायद

किसी धादमी का विरोध नहीं हो सकता। लेकिन आज जो मजदूर बात देखने में आये और जो इस बहस की सब से गम्भीर बात है, उस ने इस सदन को ही नहीं, इस बहस को चलाने वाले मंत्री महोदय को भी तिलमिला दिया होगा। वह बात वह गम्भीर आरोप है जो श्री होमी दाजी ने इस चीज का राष्ट्रीयकरण करने के सन्दर्भ में लगाया है। वह ऐसी चीज है कि उस को सुनने के बाद जो मूल प्रश्न है राष्ट्रीयकरण करने का वह तो समाप्त हो जाता है और दूसरी बातें विभाग में आती हैं। इसलिए मेरा सरकार से निवेदन है कि सरकार इस मामले में अपनी नीति को स्पष्ट करे। मेम्बर महोदय ने यह आरोप लगाया है कि सरकार किन्हीं राजनीतिक दबावों के कारण यह राष्ट्रीयकरण कर रही है, और उन दबावों में एक दबाव जिस के कारण यह राष्ट्रीयकरण किया गया यह था कि इस के अन्दर बिड़ला भार्गोदार बनना चाहते थे और चूंकि बिड़ला को पार्टनर नहीं बनाया गया इसलिये सरकार ने इस कारपोरेशन का राष्ट्रीयकरण किया है। यह किसी मंत्री के खिलाफ बड़ा गम्भीर आरोप है।

मुझे याद आती है उस समय की जब कि मंत्री महोदय ने अपनी मुक की स्वीच की थी। जब उन्होंने अपनी मंत्रालय की मांगों पर बोलते हुए स्वीच की थी तो उन्होंने कहा था कि वह तो खेतों में हल चलाने वाले किसान हैं, वह कहे, और खदानों आदि के बारे में अपरिचित हैं। तो आज इन मामलों में जिन में वे अपरिचित हैं, उन पर या उनके मंत्रालय पर आरोप लगाया गया है। उनको सब बतलाना चाहिए कि इस बारे में सरकार की अपनी स्थिति क्या है। यह माननीय सदस्य निराधार आरोप लगा रहे हैं या जो यह कहते हैं उसमें कोई तथ्य है, इसका मंत्री महोदय अपने उत्तर में स्पष्टीकरण करें।

अपनी बात को मजबूत करने के विचार से भावनाओं के बहाव में श्री होमी दाजी,

[श्री युद्धवीर]

जो कि कम्युनिस्ट पार्टी के सदस्य हैं, राष्ट्रीय-करण की भी बुराई कर गए। मेरे ह्याल में शायद यह पहली बार है जब कि किसी कम्युनिस्ट सदस्य ने दुनिया में राष्ट्रीयकरण की बुराई की होगी। अगर कोई ऐसा भ्रामनी जो कि फ्री सोसाइटी चाहता है वह राष्ट्रीयकरण का विरोध करता तो उसे समझा जा सकता था, लेकिन कम्युनिस्ट सदस्य की यह बात समझ में नहीं आती। लेकिन उन्होंने यह कहा है कि चूंकि धीर भी सारे भ्रामनियों के काम का राष्ट्रीयकरण नहीं किया गया, इस लिए इसका भी जो राष्ट्रीयकरण किया जा रहा है, वह दोषपूर्ण है, वह बुरा है।

मैं सारी बातें सुन कर बहुत हैरान हूँ। इस बिल के उद्देश्यपत्र में इसका प्रावजनक यह बताया गया है कि चूंकि ये दोनों चीजें मुख्य रूप से प्रतिरक्षा के कामों में काम आती हैं धीर चूंकि जो लोग इस काम को चला रहे थे वे काफी पैसा देने के बावजूद भी इसका अच्छी तरह से इन्तजाम नहीं कर पाए, इसलिए सरकार को यह सारा काम अपने हाथ में लेने के लिये यह कारपोरेशन बनाना पड़ा। जहाँ तक इस कारपोरेशन का बनाने का सवाल है, अपनी भन्दरुनी धीर प्रतिरक्षा की आवश्यकताओं को पूरा करने के लिए, इसका तो मैं व्यक्तिगत रूप से पार्टी की धीर से कोई विरोध नहीं करता। धीर इसका राष्ट्रीयकरण कीजिए। जो कंपनी इस काम को चला रही थी वह इसको अच्छी तरह से नहीं चला सकती थी इसलिए सरकार इसको अपने हाथ में लेना चाहती है। लेकिन केवल चलाने का ही प्रश्न नहीं है, बल्कि इस बिल से यह स्पष्ट हो जाता है कि इस कारपोरेशन के द्वारा इन चीजों का लेना-देना भी उत्पादन नहीं हुआ। उस वक्त मैं समझता हूँ कि सरकार को पूरा हक होता है सरकार को यह पूरा अधिकार है कि वह उस का राष्ट्रीयकरण करे। उस में जो कुछ भी लाभ प्रतिरक्षा कार्यों के लिए

हो चाहे वह दूसरे कार्यों के वास्ते हो सरकार उस का पूरा पूरा उपयोग कर सके।

एक बड़ा अच्छा उदाहरण मुझे इस मामले में याद आता है। मेरे अपने निर्वाचन-क्षेत्र के पास खेतरी का इलाका पड़ता है। जब तक खेतरी के अन्दर यह जो तांबे का काम था खुदाई का या उसको शुद्ध करने का काम था जब तक वह प्राइवेट हाथों में रहा उस काम में बिल्कुल उन्नति नहीं हो पाई लेकिन जब से सरकार ने उस काम को अपने हाथ में लिया है तो काम में कुछ प्रगति हो पाई है, कुछ उन्नति हो पाई है लेकिन यहाँ पर मैं इतना अवश्य कहना चाहूँगा कि जितने वायदे सरकार ने उस कारपोरेशन को अपने हाथ में लेते समय किये, उस को बनाते समय किसे ये वह सारे के सारे वायदे पूरे नहीं हुए। भलबत्ता जब वह काम प्राइवेट भ्रामनियों के हाथ में था धीर अब जब से सरकार ने इसे अपने हाथ में लिया है मामूली सा अन्तर वहाँ पर आया है। कुछ अन्तर जरूर आया है। इसलिए मैं सरकार से यह कहना चाहता हूँ कि अगर इस मेटल कारपोरेशन आफ इंडिया के सम्बन्ध में भी पहले वाले खेतरी के कारपोरेशन बनाने के समय किये गये वायदों की तरह से बेकार साबित होते हैं तो इस से लोगों के दिलों में इस के प्रति शक पैदा होगा धीर वह शक धीरे धीरे फैल जायगा जिस का कि प्राभाव श्री दाजी के भाषण से मिलता है। दाजी साहब ने बतलाया कि जो सरकार की अपनी कम्पनियाँ हैं, अपनी कारपोरेशंस हैं, सरकार के कानून के अन्दर जितनी संस्थाएँ हैं वह अपने कामों को कितनी ईमानदारी से अंजाम देती हैं। उस के धीर बहुत सारे उदाहरण भी उन्हीके धीर के सामने रखें। इस सारे के सारे संदर्भ में यह जो कारपोरेशन बन रही है उस का मैं स्वागत करता हूँ लेकिन मैं चाहूँगा कि इन के बारे में जो शक जाहिर किये गये हैं उन के बारे में वे उत्तर दें। इसका उत्तर भी मैं महोदयों को कि सरकार ने इन सारे

काम के करने के वास्ते प्राइजेंस का सहारा लिया। प्राइजर पालियामेंट 15-20 दिन के अन्दर मिलने वाली थी इस का पता मंत्री महोदय को अच्छी तरह था फिर यह प्रेतीजेंट से मिल कर प्राइजेंस का सहारा क्यों लिया गया। कहीं ऐसा तो नहीं है कि वह अपने को किसान कहने वाले गरीब मंत्री इस सारे मामले के अन्दर बेकार में फंस रहे हों? कहीं ऐसा तो नहीं है कि वह बेचारे किसान मंत्री सेक्टरियों के जाल में इतने फंस गये कि उन के इशारे पर व यह हरकतें कर बैठें? सेक्टरी या ऊपर कुछ बड़े प्रादमियों का एक ऐसा तालमेल होगया हो जिस की कि वजह से यह खाली रूबी और गेहूँ को जानने वाले किसान मंत्री की समझ में यह सारी टैक्नीकल बातें न आई हों और अपने सेक्टरियों के इशारे पर यह सब काम कर बैठ हों? मैं चाहूँगा कि वे अपने उत्तर में इस सारे मामले को स्पष्ट करें और सदन को यह बतलायें कि यह जो प्रारोप इन के ऊपर लगाया गया है उस के अन्दर कहां तक सच्चाई है। इन शब्दों के साथ यह जो मेटल कारपोरेशन प्राफ इंडिया बना है मैं सरकार के इस कदम का स्वागत करता हूँ और इसी प्रकार की और बहुत सारी चीजें जो कि प्रतिरक्षा के काम के अन्दर आती हैं, नोन फेरस मेटल्स की जैसे खदान में बर्चा हुई है, ऐसी जो भी सारी संस्थायें हैं उन को सरकार अपने कानू में से ताकि हमारा प्रतिरक्षा सम्बन्धी कार्य शिथिल न होने पावे। जो कि प्राइवेट प्रादमियों के हाथ में होने से हो जाता है। जकरत इस बात को देखने की है कि देश में इस तरीके से सरकार इन कामों को चलाये और नियंत्रण रखे ताकि उस के काम में किसी तरह की झील न आने पावे और प्रतिरक्षा सम्बन्धी सामान तथा अन्य आवश्यक सामानों की सप्लाई में घीमापन व घाने पावे। इन शब्दों के साथ मैं यह जो कारपोरेशन बन रही है उस का स्वागत करता हूँ।

Shri P. C. Borooah (Sibsagar): Sir, I am one of those who believe in the

progressive expansion of the public sector. To start a new venture in the public sector is one thing, but to acquire a private sector undertaking which is existing now is a different thing. In the latter, the government should be more cautious. We should see that the new undertakings do not suffer losses, because there is already a lot of criticism against the public sector. We have invested to the extent of Rs. 1,780 crores up till now in the public sector, which is giving a return of a little over Rs. 2 crores a year.

The Committee on Public Undertakings has also remarked that the expenditure in the public sector is a bit too much. In certain cases; more than 40 per cent of the expenditure is on townships only. So many things have been said by them;—I do not want to enter into those details—which are responsible for the unsatisfactory performance of most of our public sector undertakings.

In this context, we have to see how the government fares in taking over this Metal Corporation. Generally, private sector undertakings are taken over by the government for three reasons: 1. Mismanagement. 2. A losing concern, unable to discharge its obligations to the workers and unable to ensure production. 3. Failure to raise equity capital. So far as the mismanagement of the company is concerned, not much was said by the Minister in his opening speech. Even in the Statement of Objects and Reasons, not much has been said about mismanagement. Regarding the second reason, the company has not gone into production as yet. So, the question of profitability does not arise at this stage. Regarding the third reason, failure to raise equity capital to match the loans, this is not very clear, because it is said in the statement—and the minister also said in his speech—that the paid-up capital of the company is Rs. 2.70 crores. Generally the ratio

[Shri P. C. Borooah]

of equity to loan is of the order of 20 : 80. That is to say, to get a loan of Rs. 80 lakhs, there should be a capital of Rs. 20 lakhs. But this is not always the case. There are many industries in the private sector which cannot raise this much of capital and even then they are getting loans. We do not understand why this particular company was not given that loan in time.

श्री श्रींकार लाल बेदा: उपाध्यक्ष महोदय, सदन में इस समय गण-पूर्ति नहीं है।

Mr. Deputy-Speaker: The bell is being rung—Now there is quorum.

Shri P. C. Borooah: Having regard to the priority nature of this industry, the government should have given the loan to this company also on an easy instalment system, as they have given to TISCO and IISCO. Had they given the loan to this undertaking in 1963 or 1964, production could have been started by now and the company could have avoided much of its demurrages, depreciation losses and also penalties for default in repayments. The total expenditure that the government will incur by way of compensation, repayment of the old loans of the company, repairs of machinery, payment of demurrages and penalties for default in repayments, salaries of the Administrator, Tribunal, etc.—all these will exceed the amount of Rs. 7 crores loan for which the company was clamouring for a long time.

15 hrs.

However, Sir, the Government have finally decided to take over this company. We have nothing to say now. Let us wish that the company runs well. In doing so, I have to make a few suggestions. Firstly, the Board of Directors should be associated with specialists in the field. Secondly, official elements should not be more than 30 per cent in the Board. Thirdly, the Chairman

of the Board should be a non-official expert. Fourthly, over-staffing should be avoided. Fifthly, accountability should be enforced. And lastly, the executive staff should be associated as shareholders and allowed to hold a percentage of the posts of directors so that incentive to efficiency is ensured. These are a few suggestions, Sir, and I hope the hon. Minister will take them into consideration. With these words, I support the Bill.

Some hon. Members rose—

Mr. Deputy-Speaker: Shri Saraf.

Shri Shinkre (Marmagao): Sir, may I register my protest. I think our group deserves much better attention....

Shri Sham Lal Saraf (Jammu and Kashmir): Congress members have not spoken at all.

Shri Shinkre: That is because they did not want to speak.

Shri Sham Lal Saraf: It is absolutely wrong.

Shri Shinkre: If you say, Sir, that only by making noise one can get a chance....

Shri Sham Lal Saraf: Sir, I protest at his saying that. It must be at least 2:2 if not 3:1.

Mr. Deputy-Speaker: I am sorry, whoever catches my eye gets the chance.

Shri Shinkre: If that is the convention, we shall follow that. But it has not been followed hitherto.

Mr. Deputy-Speaker: Nobody has raised any objection. I am really wonder-struck as to how the hon. Member can raise this objection. I have called Shri Saraf.

Shri Sham Lal Saraf: Sir, I rise to lend my support to the Bill moved

by the hon. Minister of Mines. Before I speak on some of its aspects, I would like to place a little bit of my own experience before the hon. Minister. In the survey reports of the Geological Survey of India and in the survey reports from some of the States who have their own organised department of Geology and mining—I can speak of my State, the State of Jammu and Kashmir—traces of non-ferrous metals have been mentioned. As early as 190-61, the State of Jammu and Kashmir Department of Mines and Geology have reported in their survey reports about nickel, lead and copper. Having seen that, I personally, at that time, had discussed with the Indian Bureau of Mines on the subject—in fact, they were holding a very important conference where I too had the opportunity to participate—asking them to take upon themselves—to have a little more intensive survey of non-ferrous metals. But till now it has not been done. What I would like to ask in this connection is, whether in places where the presence of these metals have been reported in the survey reports of the department of Geology and Mining of the State concerned, intensive surveys have been done or not. I would request the Minister, while replying to the debate, to take the House into confidence and tell us whether according to the survey reports received by him, according to his experience and knowledge, intensive surveys have been undertaken in these places and to what extent these areas where non-ferrous metals have been found have been reported upon so that we can bank upon future progress and future development.

The second aspect is this. Particularly, in the Second Five Year Plan period a tempo arose all over the country or a tempo was set in the industries, particularly, in the small scale industries—I know that there is hardly a State in the country where small scale industries have not been set up, like engineering industries, metal industries etc. Most

of these are industries where copper, in particular, and zinc and lead as well have been needed most. Incidentally, the hon. Minister of Industries is also present in the House, and I hope he will bear me out as to what the position is. As I said, once the tempo shot very high, but today, I am very sorry to say, that tempo is getting down mainly for the reason that for electrical industries, for engineering industries and such other industries, in all the sectors, there is paucity of these non-ferrous metals.

The question, therefore, arises as to what steps Government have taken so far in order to make these metals available within the country. It is quite good that we import them. The question is whether the imported metal also is being adequately made available to the people. My hon. friends have already covered the subject in one or two matters. For instance, today, although non-ferrous metals, particularly copper, are imported into the country, the question is whether it is being distributed according to the needs of the industries, whether it is being distributed in proportion to the needs of the large-scale industries, medium-scale industries and small-scale industries. It is not. I would say, there also the influence of certain groups and certain individuals may be working. When that is the position it is high time both the ministers, the minister in charge of mines and the minister in charge of industries, put their heads together and see how this question can be solved. I personally feel that the industry is suffering very much for want of non-ferrous metals and also due to the fact that what little is available not properly distributed.

Then comes the price factor. When the last Finance Bill was on its anvil in this House, I spoke with all the emphasis at my command, that raising the tariff walls so high, as was done last time, will start a boomerang upon what little progress has been achieved whether in handicraft, small

[Shri Sham Lal Saraf]

industries or other things. What is the position today? I would request the hon. Minister for small scale industries to go up to Moradabad, which is only 100 miles from here, and see for himself what is the position with regard to these small industries, particularly the brass and copper industries. The brass industry which has been earning, I should say, about Rs. 2 crores to Rs. 3 crores foreign exchange annually by exports, that is being hit very hard mainly for the reason that copper is not adequately available and, secondly, for whatever little is available the price is very high.

Sir, as has been made out here, personally, I believe in a mixed economy, I believe in a limited State sector. But there are two things. The Government must think pretty well in advance as to what type of industries they propose to take up in the public sector. As far as the policy laid down by this august House is concerned, it is absolutely clear and there is no ambiguity about it as far as I have understood it. But in implementing that policy the Government has to pay its attention. In certain cases, I must say, frankly, that attention has not been paid. Therefore, it is time that they make up their mind and make it absolutely clear as to in what spheres they want to come in and take things in their own hands. Keeping that in view, the question that arises is whether at the time when this corporation was floated they were given all facilities. Firstly, personally speaking, knowing as I do how very badly non-ferrous metals are needed in the country, I should say that this industry should certainly have been taken from its very inception in the hands of the Government. They did not do that and they created a private corporation for this industry. I wish it had been dealt with and handled more carefully. An impression has been created that it had been handled in a shabby manner. I hope the hon. Minister, while replying to the debate, will kindly make it clear how

it has been handled. Shri Daji generated some heat as well in his speech, but from what light he has been able to throw during his speech, I personally feel that it will be incumbent upon the Government and the hon. Minister to throw some more light on it so that misgivings, if any, appearing in any quarter may be done away with in no time.

I want to make a mention about sulphur also. Sulphur is very much available in Ladakh. I do not know what Government is doing about it. It is high time that full surveys and intensive surveys are conducted and the results made known. I hope the Minister will explain the position to the House. At the same time, while giving full support to the Bill I will say that when the Bill is passed the Government should be in a position to set up its own corporation in a manner that will deliver the goods.

Shri Shinkre: Mr. Deputy-Speaker, Sir, almost all the relevant, pertinent and valid points arising out of this Bill have already been made and some of them have been made very forcefully. Still, I would permit myself to stress one or two points. But, before that, I would like to make it perfectly clear that I am entirely with the Government, as far as this Bill is concerned, because in principle I am for the nationalisation of the principal and key industries. At the same time, I would also make it perfectly and abundantly clear that I am not at all satisfied with the performance of the public sector undertakings, as we find them in our country today. I feel that as long as we are not able to produce in this country a bureaucracy with a proper sense of perspective of national interests all talk of public undertakings and nationalisation of key industries will be idle talk and we will see no fruitful results derived therefrom for the welfare of the country.

As far as my information goes the Corporation had approached the Government somewhere in 1962 or 1963 with a request to appropriate or ex-

appropriate it, or take it over and the Government had already in principle taken the decision in 1963 that this Corporation must be taken over by the Government as the financial arrangement and the difficulties that it was facing at that time could not be overcome by it through its own efforts. What I wonder is if they took this decision in principle in 1963, what made them wait all these long years? It is here that some of the observations made by my hon. friend become very relevant. Although some Members have already spoken in that line, I would request the hon. Minister to give the House proper satisfaction as to whether there was some such extraneous element which prayed and forced the hands of Government to delay the matters in such a manner that the Corporation would be completely helpless, or the Government worked in such a way as to force the Corporation to surrender and surrender in a very miserable manner so that Government could take it over on their own terms. I would expect from the hon. Minister proper explanation to the satisfaction of this House. He, as we know, is a comparatively new-comer to this Ministry and whatever allegations, although they are very serious ones that have been made in this House, they may not strictly reflect on him or strictly attach at his doors.

Shri Alvares: The allegations are against the Government.

Shri Shankre: So, I hope he will not figh shy to investigate properly the causes of those serious allegations and give the House proper satisfaction.

According to Government's own admission they have lost more than Rs. 9 crores in foreign exchange by delaying the taking over of this Corporation; I am speaking subject to correction. Since they had already made up their mind and taken a decision in principle to take over the

corporation, the capital required at that stage for take over would have been much less than what is anticipated today. Now it is anticipated to be of the tune of Rs. 20 crores. At that time it would have been about Rs. 6 crores. I should be properly clarified to this House as to who is responsible for this delay and for this extra loss to the public exchequer.

There are one or two provisions of this Bill which, to my mind, perhaps require some further clarification. One of them is paragraph 2 of the Schedule attached to the Bill which says that the compensation will be paid on the basis of the market value of the land or building. I am not quite sure whether this is the best method of paying compensation to the parties concerned, or the Corporation concerned, because the market value of land and buildings, at least in this country and especially in the industrial areas, is contingent upon and subject to various factors. Sometimes it may bring to the Government huge losses; sometimes it might bring to the parties concerned huge losses. What happens is this. After the Corporation has shown losses over several years the market value of land and buildings in those far off industrial areas would have dwindled to such a depth that the market value may mean nothing. Then, when Government are taking over an undertaking the market value may go to such heights that it can reach any limit. It is the common experience in this country that the price of land near industrial undertakings of the Government goes up very high. Even in Goa, between liberation and today, within three or four years the price of land has risen upward five or six fold. The price of land in Goa even at the time of the liberation was not low; it was quite high. Barring a few urban places in Bombay, Calcutta and Delhi, the urban centres of Goa had the highest price for land. Still, the prices soared up 4, 5 or 6 times. A

[Shri Shinkre]

similar thing can happen elsewhere too. Therefore, I would suggest to the hon. Minister that the market value may not be the right method of ascertaining or assessing the compensation payable against land and buildings. Some different method should be devised so that there will not be any loss to either side. Both the parties should be treated on a completely fair basis.

As I said earlier, all that is pertinent and valid regarding this Bill has been already said. I would only caution the hon. Minister by once again indulging in repetition that only for the sake of the principle of nationalisation do not run after nationalisation at random. See to it that in this Corporation at least the country does not again gather the same experience which made even far more advanced people, people in the know, to say this is no socialisation, this is no socialism, this is simple capitalism of the State. With these words of caution, I support the Bill.

Mr. Deputy-Speaker: Shri Radhelal Vyas.

Shri Alvares: At what time will the hon. Minister reply?

Mr. Deputy-Speaker: After the speech of Shri Radhelal Vyas is over.

श्री राबे लाल व्यास (उज्जैन) : उपाध्यक्ष महोदय, जो विधेयक हमारे सामने आया है, इस का मैं हृदय से समर्पण करता हूँ। मैं समझता हूँ कि भारत सरकार को इस बारे में बहुत पहले कदम उठाना चाहिए था। यह कदम बहुत देरी से उठाया गया है। प्रच्छा होता कि इस कदम को बहुत पहले उठा लिया जाता। लेकिन जो हुआ है, प्रच्छा हुआ है।

हमें प्रच्छी तरह से मानूंग है कि हमारे देश को श्री हमारे देश को ही नहीं बल्कि पूरे ब्रिटिश साम्राज्य को ताम्बे, जस्ते श्री

सीसे की आवश्यकताओं की पूति के लिए बर्मा पर ही निर्भर करना पड़ता था। द्वितीय महायुद्ध में जब बर्मा ब्रिटिश साम्राज्य से निकल कर जापानियों के कब्जे में चला गया तो पहली बार ब्रिटेन ने यह सोचा कि जस्ते श्री सीसे की आवश्यकताओं की पूति के लिए हम को जावर माइंस लेनी चाहिये श्री उख जमाने में ब्रिटेन ने इस के लिए कार्यवाई शुरू कर दी थी। इस बारे में कुछ भागै कदम भी उठाये गये थे। यह सोचा गया था कि इस के लिये जो बिजली चाहिये उस का सर्वे हो। सर्वे भी हुआ था। जहां तक बिजली का सम्बन्ध है वे इस नतीजे पर पहुंचे थे कि खम्बल से ही हमें बिजली मिल सकती है। आज जो गांधी सागर डैम बना है श्री जहां बिजली उत्पन्न होती है

श्री श्रीकर लाल बेरवा : उपाध्यक्ष महोदय, हाउस में गणपूर्ति नहीं है।

उपाध्यक्ष महोदय : घंटी बजाई जा रही है। अब कोरम हो गया है। माननीय सदस्य अपना भाषण जारी रखें।

श्री राबे लाल व्यास : उपाध्यक्ष महोदय, मैं निवेदन कर रहा था कि जब जापान ने बर्मा पर कब्जा किया उस समय इसकी योजना बनाई थी श्री उस समय बिजली उत्पादन के बारे में भी सोचा गया था। परन्तु उसके बाद ब्रिटेन ने फिर बर्मा पर कब्जा कर लिया श्री उन्होंने जो योजना उनके दिमाग में थी उसे समाप्त कर दिया। हम तो यह समझते थे कि जैसे ही देश स्वतन्त्र हुआ, भारत सरकार को जावरा माइंस को ले कर वहां काम शुरू कर देना चाहिये था, परन्तु दुर्भाग्य से एक ऐसी कम्पनी के हाथ में यह काम था जो उसको चला नहीं सकी, जिसके पास न तो पैसों की व्यवस्था थी श्री न दूसरा प्रबन्ध ही ठीक था। इतने सालों तक इसकी वजह से इस देश को श्री इस देश की अन्तता को काफी नुकसान उठाना पड़ा।

अभी मूलसे पहले मेरे मित्र श्री सराफ ने बतलाया कि तांबे और जस्ते के ऊपर ही हमारे देश का एक मध्य लघु उद्योग निर्भर करता है अर्थात् तांबे और पीतल के बर्तन बनाने वाले लोग । आज देश के अन्दर कोते कोने में छोटे बड़े और अमीर गरीब सभी लोग बर्तनों का उपयोग करते हैं । पिछले दफे जो ईन्स की वृद्धि हुई उस से इसके भाव बहुत बढ़ गये हैं । साथ ही हम देखते हैं कि मध्य प्रदेश में इन्दौर, उज्जैन और रतलाम में बर्तन बनाने के काफी लघु उद्योग हैं तथा व्यक्तितगत रूप से भी लोग कसारे का काम करते हैं । यह लोग रात दिन चिल्लाते हैं कि उनको न ताम्बा मिलता है और न जस्ता मिलता है । वे बड़ी मुसीबत में पड़े हुए हैं । जो कारखाने चल रहे हैं वह पूरी कैपेसिटी तो क्या आधी कैपेसिटी तक भी काम नहीं कर सकते हैं अर्थात् जो रा र्मेट्रीयस मिलना चाहिये वह उपलब्ध नहीं हो पा रहा है । यहां मैं माननीय मंत्री महोदय की नोटिस में यह भी खाना चाहता हूं कि अगर सारे देश को देखा जाये तो जो नान फेरस मेटल्स हैं उनका मध्य प्रदेश को बहुत कम कोटा मिलता है । मैं सिर्फ इस उद्योग के सम्बन्ध में ही यह नहीं कहना चाहता हूं, दूसरी चीजों के जितने उद्योग धंधे बाद में बोलेंगे हैं उनके सम्बन्ध में भी जितना कोटा दूसरे प्रदेशों को मिलता है उतना मध्य प्रदेश को नहीं मिलता है ।

श्री क० ना० सिंघरी (बगहा) : सब जगहों पर कम मिलता है ।

श्री राधेलाल व्यास : मैं कहता हूं कि सारे देश में कमी है लेकिन आंकड़ों को देखेंगे तो पता चलेगा कि इसी साल नहीं बल्कि पिछले सालों में दूसरे प्रदेशों को भी कोटा मिला है उसमें मध्य प्रदेश के साथ कितना अन्वय किया गया है । घाघ दिल्ली को ही ले लीजिये । दिल्ली को पांच छः साल पहले कितना कोटा था और अब कितना है और मध्य प्रदेश के लिये पहले कितना कोटा

था और अब कितना है । मेरे पास आंकड़े मौजूद हैं लेकिन समय नहीं है कि मैं उन को घाघ के सामने रख सकूँ कि हमारी स्टेट गवर्नमेंट के साथ नान फेरस मेटल के सम्बन्ध में कितना अन्वय हो रहा है ।

जो कदम केन्द्रीय सरकार ने अब उठाया है उसका मैं स्वागत करता हूं लेकिन मझे एक निवेदन जरूर करना है । जैसे हमारी बहुत सी पब्लिक सेक्टर इंडस्ट्रीज हैं, जं. का. पं. इन काम करते हैं, जो पिछला धनधन है इस विषय में उस से पता चलता है कि उन में काम अच्छा नहीं हो रहा है । जो उद्योग हैं, जो केवल जनता के काम के ही नहीं बल्कि जिनमें रक्षा का काम भी होता है, उनके बारे में बड़ी तरफदारता से काम करने की जरूरत है । उनका एग्जिस्टेंशन भी एंफिशिएंट होना चाहिये । हमारे राज्य में हीवी इलेक्ट्रिकल्स है मॉन्टाल में । अब से यह काम दुष्प्रा है तब से उसमें 25 करोड़ 60 का नुकसान हो चुका है । अभी तक दससे खुले नहीं है, इतना सामान मंगा मिला गया है । इतना स्टॉक है जिस के पास काम नहीं है । इससे वहां पर नुकसान होता है । मशीन टूल्स फैक्टरी में तो कुछ अच्छा काम दुष्प्रा है लेकिन शुरू में प्रारम्भिक स्थिति में उसमें कितना नुकसान दुष्प्रा । इस पर ध्यान देने की जरूरत है । आज मशीन टूल्स इंडस्ट्री में काफी काम दुष्प्रा है । ऐसी ही प्रथा सब जगह चलनी चाहिये । मैं समझता हूं कि हमारी इंडस्ट्रीज अच्छे हाथों में ही ताकि वह तरबकी बनें और अच्छा काम करे । वे हमारे देश की जनता की आवश्यकताओं की पूर्ति न करे बल्कि जो हमारे रक्षा के कार्य हैं उन में उन से काफ़ी सहयोग मिल सके ।

इन शब्दों के साथ मैं इस विधेयक का समर्थन करता हूं ।

Shri Sanjiva Reddy: Mr. Deputy-Speaker, Sir, very useful suggestions

[Shri Sanjiva Reddy]

have been made by hon. friends who participated in the debate. Of course, Shri Daji was very emotional. He need not have been emotional. He could have placed the same points a little more appealing to be reasonable. I hope, if I pay him the same compliment as he paid to me, he would not get angry. His speech contained a ton of emotion and an ounce of substance. That is normally the case. Therefore there would not be much of a point for anybody to reply. It was just slander, unverified allegations against the Cabinet Secretary and against another Secretary; everybody else is an agent of Tata and Birla and himself is the agent of Russia only. These are allegations which are really unfortunate and should not be made on the floor of the House.

Shri Daji: It is better to be that than be the agent of Tatas and Birlas.

Shri Sanjiva Reddy: I know that. When he makes an allegation against the Cabinet Secretary, I wonder if it is really fair to him, unless it is verified by Shri Daji and he could substantiate it before the Prime Minister. I do not want him to go to a court or do anything of that kind. If an allegation has some substance in it, it can certainly be taken before the Prime Minister and the Prime Minister certainly would not have him as the Cabinet Secretary even for one hour if even a small percentage of it is proved.

An hon. Member: He is not aware of the procedure.

Shri Sanjiva Reddy: Then, he said all sorts of things. He could have been a little more charitable, at least in using abusive language. If he wants to abuse—Don Quixote and other things—I can use the same language but it does not help anybody. If Shri Daji, a great Communist leader should say that, the other side also has the privilege of using the same

language and, I am sure, he will be offended. But we do not want to do that; we want to be a little more dignified than the hon. Member.

He was so vehemently arguing in favour of this industry in the private sector. I myself and the Government and the Cabinet were not anxious to take it over. Only when we felt helpless. We did that. It is not the Cabinet Secretary but a big conference was held in the Finance Minister's room as to how best to help him, whether we could give him loans. He has not repaid the instalments, even interest. The banks would not pay him. It is not only the Government; nobody is in a position to pay the amount because already so much amount has been given to him and even the instalments have not been paid by him. He has obtained Rs. 1 crore from the IFC, a guarantee for Rs. 4,25,00,000 has been given by the IFC. If you read the full list of defaults and loans that he has taken, you will find that Rs. 106 crores is necessary now.

An hon. Member: Were they secured loans?

15.29 hrs.

[SHRI SONAVANE in the Chair]

Shri Sanjiva Reddy: Yes, till now. Anyway, that is not the relevant point. The point is that we are short of non-ferrous metals in the country. I do not know who he is. I may honestly tell you here that I have absolutely nothing to do with this gentleman who is the Managing Director of the Metal Corporation. I have not seen them nor have I any chance of seeing them in future. I am not interested. We are interested in producing non-ferrous metals. Where is the zinc in this country? It is only a small quantity that is available in the country. Mr. Daji was talking about some private sector company in Kerala. There is no mine in Kerala.

Shri Daji: I said about copper.

Shri Sanjiva Reddy: I am coming to that. We are here talking about zinc. We want to import concentrates from other countries and smelt them in our country so that 50 per cent of the foreign exchange could be saved. That is what is being attempted, whether it is the Polish collaboration in Vizag or somebody else's collaboration in Kerala. We want to save foreign exchange by importing concentrates from other countries and smelting them in our country. Even then, how much are we producing? It is only 18,000 tonnes.

My friends are thinking that it is just to benefit the Tatas and Birlas that it is really being given to them. The two steel factories which are producing sheets in the country are Rourkela and the Tatas. The zinc is used for sheets and pipes which are being produced. You can use zinc for buckets also. But we are not in the fortunate position of using this useful and costly material for buckets. We can use this only for industrial purposes and defence purposes. It is given to the Tatas not for something to profit by but for something which the Government wants for defence purposes. Zinc sheets are scarce in India. I am not able to meet even 10 per cent demand from the States. Almost 90 per cent of the sheets are used for defence purposes. Therefore, the small quantity of zinc that is allotted to the Tatas—it is not for the private sector to make any profits—is because they would supply these sheets and pipes for meeting the defence needs. Our estimate will be round about 1,25,000 tonnes of zinc even if we take all steps and with importing concentrates from other countries and smelting them in our own country, it will be roundabout 40,000 to 50,000 tonnes. The rest of it will have to be imported.

We have taken steps to see that aerial surveys are conducted in the country with technical assistance from Russia and America. If an aerial survey reveals the possibility of zinc ore in some places, then we will have to undertake boring operations to

find out the quantity of zinc ore, the economics of it and all that. If it is proved successful, then later on we can take up the mining operation and the smelting operation. That means, it will take a few years more. The aerial survey will take a year or so and after the aerial survey, further searching of the material, whether it is in big quantity or commercial quantity, will take some more time. So many other preparations are to be made before we can sink crores of rupees in a smelter. In the field of aluminium, I think, we will be self-sufficient in the coming few months because we are taking up, apart from the private sector, two big projects in the public sector also, that is, Koyna and Korba. But in respect of zinc, lead and copper, we will continue to be in short supply for the coming few years. Anyway, the Government is aware of the shortage and we will take steps to see that we will somehow or other tide over this difficulty either in the Fourth Plan or in the Fifth Plan. We will put all our efforts. As regards the finance, the Planning Commission and the Finance Minister have assured us that for non-ferrous metals production, there will be no shortage of funds.

Then, Mr. Daji made another allegation. He referred to something which I really did not know. I just now got the information from the office. He mentioned about the Indian Copper Corporation being managed with the Rhodesian capital by the South Africans and that all the condemned people, according to him, in the world are in this Company. But the information that I have got is that 97 per cent of the shares of this Company are Indian. This is the position as it is today. I am only talking of the facts. I do not know anything about the allegation that he made that the South Africans, the Rhodesian people, all the condemned people in the world are concentrated in this Company and that they are exploiting India. It is not as if we brought all of them by ship yesterday morning

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and landed them all here to destroy our country. 97 per cent of the shares are Indian. And there are some English consultants—not that the Consolidated Goldfields South Africa Ltd. which he mentioned—to this Company wherein 97 per cent of the shares are Indian. I hope, he will verify it. This is the information I have.

Shri Daji: I read it from the Geological Survey of India which is the Government publication.

Shri Sanjiva Reddy: It may be an old Bulletin.

Shri Daji: It is published in 1964.

Shri Sanjiva Reddy: I am giving the correct information. He may verify it and let me know if there is anything wrong with the information that I am giving. I am one with Mr. Daji that no Rhodesian and no South African can have any share in a Company here. Those people condemned by the world public opinion cannot be allowed to pay any part in this country. He may verify the facts that I have given and if the facts are wrong, we shall certainly see that it is not so.

Then, Mr. Daji said that because this Company refused to give any shares to Birla that this Company is being nationalised. This is the first time I am hearing that. Neither the Birlas have asked for the shares in this Company nor has anybody proposed it to this Company.

Shri Kapur Singh: You are not well-informed.

Shri Sanjiva Reddy: Quite possibly. I am not aware of what has happened behind the scene or something else which may have happened of which Mr. Kapur Singh is aware. May be he is very well fed by the Company in the sense that he gets all the information from the Company.

Shri Kapur Singh: Besides me, many others also know it.

Shri Sanjiva Reddy: May be. The Company is not very effective in producing zinc but is very effective in producing enough material for you. The allegations made are not correct.

An hon. Member: It is all concocted.

Shri Sanjiva Reddy: May be concocted.

Shri Daji: When the Minister does not know it, how can he say that it is all concocted.

Shri Sanjiva Reddy: That is why I say I do not know it. That is not true to my satisfaction... (Interruption). Some other Member suggested the word 'concocted' and not that I used that word.

Shri Kapur Singh: Is it very graceful on the part of the hon. Minister to suggest that those who have opposed the Bill have been briefed by the Company concerned?

Shri Sanjiva Reddy: I am not saying that. About the Birlas, some allegations were made. Somebody may have given the information to the hon. Member. For instance, Khetri copper project was started by the Birlas. When we found that it was not giving the proper results, the Government took it over. In the field of non-ferrous metals, we want results. Therefore, we are prepared to take it over. There are some Companies which produce aluminium and they are working satisfactorily. Now, I would not sink my money there but I would sink the money in a new public sector project which can give additional results. There are some companies in the private sector which are producing aluminium. I would not sink the money by taking over these companies. I would put the money where we can produce much more. Therefore, in the Fourth Plan, we are taking over Khetri, and Korba projects in the public sector. It is not our intention that everybody should be covered overnight. We are for the mixed economy. It is accept-

ed by the Government. The Government's policy is quite clear that it is for mixed economy. There is no use taking over everything. If things are being produced in the private sector, we allow them to be produced. We use a little capital that we have for putting up new projects so that the country may become self-sufficient.

With regard to aluminium, in the coming four or five years we hope not only to become self-sufficient but we want this aluminium to take over the functions of copper and other metals also, if possible.

Shri Guha spoke about the price, i.e. why the price was kept controlled. Some other members also mentioned about it. If the price of scarce material is not controlled, what will happen? The old market price was round about Rs. 1,300 to 1,400 per tonne and then the Tariff Commission recommended Rs. 1,500 and odd as the price that could be given here taking into consideration the transport charges and all that. If, suppose, a free market is allowed, zinc will not go to zinc sheets; zinc will not go for pipes; it will go to the small market for buckets and all that. I wonder if my friend, Mr. Daji, will agree to this. Nobody will agree to this. Therefore, giving them a free price when the material is so scarce or giving them even a chance to sell at a free market rate would be disastrous to the country and no defence production would be possible if this is allowed. Therefore, we had to control. The Tariff Commission, taking into consideration all aspects, fixed a particular price and we did not reduce it even by one rupee. Some of the hon. members said that the Government had reduced it; it is not correct; we did not reduce it even by one rupee. For lead they were allowed to sell in a free market and because of that, they could sell it at the rate of Rs. 4000 per tonne while the import price was Rs. 1200 or so. If the same is allowed in respect of zinc also, our Defence industries would stand to lose. If you

want to allow free market, naturally you will have to allow imports also.

Shri Kapur Singh: Would the Government control the price at this level when they themselves manufacture this commodity?

Shri Sanjiva Reddy: Most certainly. When Government produces, we will not increase the price so high that the Defence industries will suffer. We have not yet started producing. Let us produce and see. This 18,000 is not going to solve our problem; we shall have to produce 1,50,000 tonnes. There is no zinc which is in the Government's hands today. It is either imported or the little quantity that you produce, i.e., 3,000 to 4,000 tonnes.

Anyway it is not our intention to injure the company. We do not take over a company to wound somebody's feelings, i.e., just because they are Sikhs or of some other community. Shri Kapur Singh should avoid making these allegations. Some members said that Congress businessmen influenced the Government and all that. These are allegations which are not going to add to the strength of unity in the country between various communities. I do not think that, when we considered it in the Cabinet, the consideration that they were Sikhs ever came before us.

Shri Kapur Singh: I can hardly be expected to avoid facts which glare in the face.

Shri Sanjiva Reddy: That is all-right.

I must thank Mr. Mathur for having made some constructive suggestions. He and other friends wanted to know how the administration would be run. We are thinking of having a separate corporation for this. I was originally thinking whether the NDMC could take over his business because they were in charge of copper and other metals, but I was advised that they had enough work and that they

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might not pay much attention to it if it was given to them. Therefore, we are thinking of having a separate corporation for this, so that particular attention could be given to develop these mines.

Mr. Banerjee is not here. I would like to tell him that every ounce of it is for Defence—for sheets, pipes and all that. It is not gifted to Tatas or Birlas for their private use or for making some profits. It is given only for Defence.

We are passing through a very critical period. This non-ferrous metal is going to play a very important part in our Defence industries in future. Therefore, we should try to produce as much as possible. Let me make it clear that, whether in the public sector or in the private sector, we should try to locate the availability of this raw material in our country and try to produce as much as possible. I would appeal to all my friends to give their co-operation and I would try to do my best with the willing co-operation of my friends.

About compensation, about the estimate of the land value, Shri Shinkre should know that there will be a judge; if they are aggrieved, they can represent; it is not as if compensation will be denied to them; Government will not grudge giving a few lakhs of rupees.

Shri Shinkre: Government may be a loser then.

Shri Sanjiva Reddy: In the Bill it is mentioned that a person competent to be a judge will be the judge. Therefore, no injustice will be done either to the Government or to the Company; it will be a fair compensation to both the sides. I expect the House to pass this Bill unanimously and quickly. If there is any objection, I am prepared to hear that and the members may bring it to my notice before hand; I do not say that I will satisfy them, but I shall cer-

tainly make an attempt to satisfy them to the extent possible.

Shri Vidya Charan Shukla (Mahasamund): I would like to know whether, while deciding the question of compensation, the judge would be required to take into consideration the quantum of loss that this Company has caused to the nation by delaying this project for such a long time; they have been sitting tight over this project for ten years and this should be one of the considerations before deciding on the quantum of compensation that should be paid.

Dr. L. M. Singhvi (Jodhpur): I would like to put two questions. One of them is whether the Government realise and are prepared to tell us that, as a matter of fact, they have themselves been largely responsible for delaying the acquisition of this company. In 1960 it became evident to them that this Company could not, on its own, undertake the establishment of zink smelter. In 1963 they appointed a Committee. In March, 1964, the Committee, headed by the Director-General of Technical Development, had given them the report that, without Rs. 600 lakhs, this project could not come to fruition. Even so this project was delayed and I am told that, on a rough calculation, as much as Rs. 9 crores of foreign exchange have been lost by the Government of India in this connection.

Secondly, I would like the hon. Minister to tell us as to what was the position in respect of the proceedings in the court of law which was, in the first place, to object to the notification regarding the price and then secondly with regard to the Ordinance. What is the position in respect of these proceedings?

Shri Sanjiva Reddy: This point was already raised by one of the hon. members. It is pending in the Court; the Court is going to hear them in

the first week of December; I have already given the date.

About the delay, I admit that there has been some delay. It was because we wanted to negotiate and come to some terms with them. Therefore, we had a conference with Secretaries and their representatives. The only time I met them was in the Finance Minister's room when there was a meeting with all the representatives. Later on, we left it to the Secretaries to deal with them. There was some delay because we wanted to do it smoothly.

Dr. L. M. Singhvi: How much foreign exchange was lost?

Shri Sanjiva Reddy: About Rs. 9 crores.

Shri N. Dandekar (Gonda): This particular explanation about the delay gives rise to one or two other important questions. In the Schedule, about the valuation, I find that nothing is to be paid for intangible assets. This poor company working over the years—and Government could have taken it over in 1960 or 1961 or 1962 or 1964 or whatever it is—has losses mounting up, a lot of its borrowed money going down the drain, and I see that for keeping itself alive they have incurred these losses. But nothing is to be paid for this because they are intangible assets.

I also see that the depreciable assets are to be valued on the basis of the original cost less depreciation according to the income-tax rates. It would be monstrous to value these assets like that when the delay was of Government's making. Depreciation at the income-tax rates on the written-down-value system over a short period is an inequitable basis for the valuation of a concern which is taken over. It is a fact that when depreciation is taken over a long period of time it makes no difference, whether you have it on the straight-line method or on the written-down-value method. The written-down-value in the short run, after all this

delay, seems to me to be an incredible approach to the problem of valuation.

Shri Radhelal Vyas: That can be considered when the clauses are taken up.

Shri Sanjiva Reddy: I have nothing more to add. After all, compensation will be paid in the same manner as was paid to the insurance companies which were taken over when the LIC was formed or to the other corporations which were taken over. The delay is not because Government did not want to take it over earlier, but we wanted to carry the corporation also with us, and the delay occurred because the negotiations were unending, and ultimately we were forced to take this decision.

Mr. Chairman: The question is:

"That the Bill to provide for the acquisition of the undertaking of the Metal Corporation of India Limited for the purpose of enabling the Central Government in the public interest to exploit, to the fullest extent possible, zinc and lead deposits in and around the Zawar area in the State of Rajasthan and to utilise those minerals in such manner as to subserve the common good, be taken into consideration."

The motion was adopted.

Mr. Chairman: There are no amendments to the clauses.

The question is:

"That clauses 2 to 17 and the Schedule stand part of the Bill".

The motion was adopted.

Clauses 2 to 17, and the Schedule were added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill.

Shri Sanjiva Reddy: I beg to move:

"That the Bill be passed".

Mr. Chairman: The question is:

"That the Bill be passed".

The motion was adopted.