

investigated thoroughly and the guilty and careless persons should be dealt with accordingly.

MR. DEPUTY CHAIRMAN: Shri Chaturanan Mishra.

**REFERENCE TO THE STRIKE CALL
GIVEN BY THE NATIONAL CAM-
PAIGN COMMITTEE OF COAL
INDUSTRY**

SHRI CHATURANAN MISHRA (Bihar): Mr. Deputy Chairman, Sir, through you, I draw the attention of the House and the Government about the proposed coal strike which is to take place on the 4th and 5th June and also the Officers Association of Coal India have decided to go on strike from 2nd July and they are going on massive casual leave on the 15th May. A serious situation has arisen there only a few months back and an agreement was reached between the coal management and the Coal India workers but that is not being implemented. The facilities mentioned in the agreement have been denied to the workmen. I would also like to point out that the joint bipartite committee through which the negotiations used to take place, that has also been made defunct. And no negotiation is taking place. Therefore, the workmen now have no way out except to go on strike. I also want to mention here that a large number of workmen belonging to Harijans and Adivasis have been dismissed from service. And such a situation has been created that there is no way out except to go on strike. In one of the collieries, in the Telcher colliery of Orissa, there is a lack out for the last three weeks from the 23rd April. So I draw the attention of the Government towards this problem. The Leader of the House is there and he is also the Finance Minister. A strike in the coal industry will have serious repercussions on the finances of the country. So I would like him

to intervene and do something about it so that we can avoid the strike.

SHRI KALYAN ROY (West Bengal): Sir, you have heard him. On the 4th and 5th June, all the Central trade unions have given notices to go on strike on an all-India basis.

श्री जयसनापति : अभी तो बहुत आगे है पता नहीं क्या होगा ।

SHRI KALYAN ROY: You should understand the gravity of the situation. We have given a Calling Attention. (Interruptions). The agreement has been scuttled. The Minister should intervene. We are losing money.

MR. DEPUTY CHAIRMAN: Please take your seat अभी तो वह बहुत आगे है। Now we take up the Aluminium Corporation of India Limited acquisition and Transfer of Aluminium Undertaking) Bill, 1984. Shri Salve.

**THE ALUMINIUM CORPORATION
OF INDIA LIMITED (ACQUISITION
AND TRANSFER OF ALUMINIUM
UNDERTAKING) BILL, 1984**

THE MINISTER OF STATE IN THE MINISTRY OF STEEL AND MINES (SHRI N. K. P. SALVE): Sir, I move:

"That the Bill to provide for the acquisition and transfer of the right, title and interest of the Aluminium Corporation of India Limited in relation to its undertaking at Jaykay Nagar, near Asansol (West Bengal) for the purpose of ensuring the continuity of production of aluminium and aluminium fabricated products which are essential to the needs of the community and thereby to give effect to the policy of the State towards securing the principles specified in clause (b) of article 32 of the Constitution, as passed by the Lok Sabha be taken into consideration."

Sir, the Bill provides for the acquisition and transfer of the right title and interest of the Aluminium Corporation

[Shri N. K. P. Salve]

of India Limited in relation to its undertaking at Jaykay Nagar, near Asansol, West Bengal, for the purpose of ensuring the continuity of production of aluminium and aluminium fabricated products which are essential to the needs of the community and thereby to give effect to the policy of the State toward securing the principles specified in clause (b) of article 39 of the Constitution.

Sir, succinctly and very briefly I will explain why this measure is now before the House for its consideration. The Aluminium Corporation of India Limited at Jaykay Nagar, Asansol, which with your permission, I will hereinafter refer to as ALCOIN, was engaged in the production of aluminium and aluminium fabricated products. It had some of the finest down-stream facilities so far as extruded sections, foils and conductors were concerned. These are items which are extremely essential for the needs of the community, particularly in the industrial and power sectors. That is one of the major reasons why this measure is now before the House for acquiring the undertaking of this company. Way back in 1973, the undertaking fell into a very difficult situation and it was closed. From 1975 onwards, the Central Government made several efforts to see that at least the interests of the workmen were not adversely affected and that an undertaking which had such valuable down-stream facilities was not closed and its benefits denied to the community, especially to the industrial and power sectors. In the meanwhile, it was found that the company was incurring losses persistently, its capital was entirely eroded and the aggregate liabilities of the company far exceeds the entire capital and reserves of the company. As a result of this, it became necessary for the Government to intervene and on May

1, 1978, the Central Government under section 18AA of the Industries (Development and Regulation) Act, 1951, took over the management. Thereafter, we made persistent efforts from our end to make the entire undertaking viable and to make it over to the management which was running it, the Jaykay House. But it was found that the management was under no circumstances willing to bring in the requisite capital which was necessary to keep this undertaking going with the result our efforts failed to give this back to the management and there was no option left for us except to acquire the undertaking as a whole, because, as I have said earlier, the undertaking is far too important for us from the point of view of the end-products which it has been manufacturing and those products, as I have submitted earlier, are of particular interest to the power sector as well as the industry sector. Therefore, it is essential that we modernise this undertaking, we spend some more on this and revitalise it and make it economically viable. From this point of view appropriate measures have been contemplated in this Bill and we do hope, as a result of this enactment, this extremely valuable undertaking would be back on the road and would be working in a manner which is economically viable. Therefore, I command this Bill for the consideration of the House.

The question was proposed.

SHRI SUKOMAL SEN (West Bengal): Sir, the Bill was overdue; still, I welcome the Bill. The importance of the aluminium industry has been mentioned by the Minister himself and if needs no repetition. But in our country we are not self-sufficient in aluminium industry. If we look at the import figures year after year and if we look at the installed capacity of the indigenous industries in our country and the actual

production, we find there is a gap and we have to import aluminium every year from other countries and we have to spend a lot of money from our exchequer for import of aluminium. It needs no repetition that we should protect the aluminium industry and try to modernise it and develop it so that we can become self-sufficient in this industry. This aluminium Corporation was established in 1944 and it was closed down in 1973. Then what happened? The Government of India took it over in 1978 when all the trade unions and workers started pressurising the Government. At that time this Corporation was employing about 2500 employees. One thing we find; what happens always is at the time of take-over by the Government of industries, they come in in a ruined state when the industries are almost in a state of ruination. Under pressure from trade unions and workers Government takes over the units. There is no planning, no imagination, no technology. At that time they simply will have to manage. If we look at the state of affairs, after nationalisation public financial institutions give money to these industries, after the take-over, but those monies are swallowed by the management to whom the industry is entrusted for being looked after. Similarly, here also I find, after the take-over in 1978, till 1984, for six years, the industry could not be brought to a viable shape; the condition has been bad again and it has started going from bad to worse. I can cite a number of instances. In West Bengal itself in Asansol, in Durgapur, industries which were nationalised, after nationalisation, were closed down. The Burn Standard Refractory was taken over by the Government and nationalised. After nationalisation one Durgapur unit was locked out; another unit in Asansol has been closed down and workers are retrenched. Even after taking over, the management behaves like the private sector management. They swindle and swallow money. And Government

looks on. They are just an on-looker and the Ministry remains a spectator. They do not step in.

While supporting this Bill I would simply say that we are not yet self-sufficient in aluminium and we are importing it from year to year from foreign countries. Government should see to it that after nationalisation what is happening in other industries after nationalisation is not respected at least in this industry

After nationalisation, will the same management which is inefficient and corrupt and which has committed financial irregularities continue there? Will they continue to be in charge of this industry? If that happens then there is no hope of his industry surviving.

At the time of closure of this industry there were about 2,500 workers. I want to know whether the Government will maintain the same strength. Somewhere else we have found that after nationalisation Government have tried to retrench the employees on the ground of financial viability. I want an assurance from the Minister that no such thing will be repeated here, and workers' interests will be protected. Apart from that, in order to see that it is run properly there should be workers' participation in the management.

श्री जगदम्बी प्रसाद यादव (बिहार) :

उपाध्यक्ष जी, अगर आपको सिर्फ विधेयक ही पारित कराना है और विधेयक की महत्ता पर प्रकाश डालने का अवसर नहीं देना है तो मैं दो तीन सवाल उठाकर ही अपनी बात को समाप्त करना चाहूंगा। पहला सवाल तो मैं यह उठाना चाहता हूँ कि हिडालको जो एल्यूमीनियम पंदा करता है उसके साथ आपका जो एग्रीमेंट हुआ है उस एग्रीमेंट में आप ने सारी लिगेलिटीज को पार करके जहाँ सेक्रेटरी के सिग्नेचर होने चाहिये थे उसके स्थान पर अपना सिग्नेचर किया है। इसमें क्या राज है। एका

[श्री जगदम्बी प्रसाद यादव]

सवाल तो मेरा यह है जिसको आप से सारा देश जानना चाहेगा।

दूसरा सवाल है कि जब कोई इंडस्ट्री सिक होती है और मरने के काबिल हो जाती है तब आप उस को लेने के लिये बढ़ते हैं। यह ठीक है कि वहां लेबर काम करता है और उसकी सुरक्षा होनी चाहिये। इसमें कोई दो राये नहीं हैं। लेकिन आप ऐसी इंडस्ट्रीज के बारे में सावधानी क्यों नहीं बरतते कि वे ठीक से काम कर सकें। आज देश में एल्यूमीनियम की आवश्यकता बहुत है। मैं पढ़ रहा था कि एल्यूमीनियम आप 25 या 30 हजार टन इम्पोर्ट करते हैं दूसरों के जरिये यह भी हमें पता नहीं कि हमारी जितनी आवश्यकता है देश में, उसको हम पंदा कर पाते हैं या नहीं। लेकिन जो पंदा करने की हमारी कंपैसिटी है हम उसका पूरा-पूरा उपयोग नहीं कर पाते। ज्यादा से ज्यादा उस कंपैसिटी का 2/3 ही हम उपयोग कर पाते हैं और 1/3 उस कंपैसिटी का हम उपयोग नहीं कर पाते हैं। क्यों नहीं हम अपनी कंपैसिटी का पूरा उपयोग कर पाते हैं इसको आप बताइये।

तीसरी बात यह रखना चाहता हूं कि जब आपने इसको नेशनलाइज कर लिया तो इसकी व्यवस्था में आप किस प्रकार आगे बढ़ेंगे। एल्यूमीनियम का दाम घटा सकेंगे या एल्यूमीनियम का दाम बढ़ायेंगे। मैं दाम की बात इसलिये कहता हूं कि इसका दाम दो जगहों पर एफेक्ट करता है। एल्यूमीनियम की जरूरत आज एलेक्ट्रिसिटी के लिये बहुत है और अगर इसका दाम बढ़ता है तो एलेक्ट्रिसिटी डिपार्टमेंट का खर्च भी बढ़ जाता है। दूसरी एल्यूमीनियम की जरूरत गरीबों के लिये बहुत है। अगर इसके दाम बढ़ते हैं तो गरीब लोगों को परेशानी होती है।

तो एक तो अल्यूमीनियम की कीमत के बारे में मैं जानना चाहता हूं कि आपके इसको लेने से उस पर क्या असर पड़ेगा।

जो अन्तिम बात मैं पूछना चाहता हूं वह यह है कि वहां पर जो लेबर है उसके मनेजमेंट में आप क्या करने जा रहे हैं। देखा यह गया है कि जो लोकल लोग हैं, हरिजन और आदिवासी, वनवासी है उनको प्रश्रय नहीं मिलता है। तो उनको प्रश्रय देने के लिये क्या व्यवस्था करने जा रहे हैं। क्या आप लेबर को मनेजमेंट में शेयर देने की, उनको हिस्सेदार बनाने का विचार रखते हैं? इन्हीं शब्दों के साथ मैं अपनी बात समाप्त करता हूँ।

SHRI B. SATYANARAYAN REDDY (Andhra Pradesh): Mr. Deputy Chairman, Sir, though this Aluminium Corporation of India Limited (Acquisition and Transfer of Aluminium Undertaking) Bill, 1984, is a very welcome Bill, it is belated. I would like to state in this connection that the Aluminium Corporation of India Limited was established in 1944 in Jaykay Nagar in West Bengal and in 1973, this Company was closed down due to financial mismanagement and other difficulties. The Government of India knows that aluminium is a very important thing particularly for the industrial energy sector. So, such companies should have been taken over by the Government long back. But the Government of India did not do this but has allowed this company to run into losses. As a matter of fact, private owners are making huge profits and they are not investing these profits in the industry for its renovation. So, I would say that the Government of India has neglected to take necessary steps to see that this sort of deterioration does not take place in this industry.

There is another thing. Aluminium and aluminium products are very necessary for the nation, especially for the power industry. The import of aluminium in 1979-80 was of the order of 76,020 tonnes and the value was about 109560 crores. In 1981-82, the installed capacity was 3,21,170 tonnes and production in 1981 was 2,11,411 tonnes. In 1982, production was 2,14,789 tonnes and the import was 21,780 tonnes and its value was Rs. 39 crores.

Sir, this is a very important industry. I would like to know from the honourable Minister whether, having taken over this industry, is he going to take over all such industries which are important for the nation as a whole and whether he is going to nationalise this sector as has been done in other respects.

Sir, I welcome this Bill. I hope that after taking over this industry, they will not allow it to go into losses.

SHRI S. W. DHABE (Maharashtra): Sir, I only want to ask some questions. We discussed once the HINDALCO and you know what is happening there. The private sector is exploiting the Government and also the public. Crores of rupees are not paid and money on account of electricity bills is not paid to the State Electricity Boards. This is one case where nationalisation should have taken place long back. I would like only to make two suggestions to the honourable Minister.

Sir, this is an industry which is very essential for the country. Now, we have to import also. I am told that in 1984-85, the requirement is about five hundred thousand tonnes, but we have to get about fifty to sixty thousand tonnes from outside. Therefore, a proposal was made that a unit should be started at Ratnagiri and the BALCO office should be located at Nagpur with one project in Madhya Pradesh.

May I know from the Minister what is the expansion programme for the aluminium industry, whether the project at Ratnagiri is coming up or not and what step he is going to take for reducing import of aluminium which is very essential for our country?

These are my observations.

MR. DEPUTY CHAIRMAN: Dr. Sarojini Mahishi.

SHRI S. W. DHABE: I have finished within...

MR. DEPUTY CHAIRMAN: Thank you very much. Others will follow the example. Dr. Mahishi.

DR. (SHRIMATI) SARAJINI MAHISHI (Karnataka): Mr. Deputy Chairman, Sir, the Bill is to provide for the acquisition and transfer of the right title and interest of the Aluminium Corporation of India Limited in relation to its undertaking at Jaykay Nagar, near Asansol and has been introduced in the House with a view to giving effect to the policy of the State towards securing the principles specified in clause (b) of article 39 of the Constitution.

Now, I would like to know from the Government as to why they took a period of ten years after the Company started deteriorating in 1973 and when the management was taken over in 1978 and why no attention was paid to this. What is the installed capacity in the whole country as far as aluminium is concerned and what is the idle capacity that is not being utilised? We are importing aluminium on a large scale; year by year it is increasing, in spite of the fact that aluminium has been given electricity at a very subsidised rate of 2 paise per unit. The total amount of electricity required for converting one tonne of aluminium is 20,000 units, which is given at a subsidised rate to the aluminium industry.

SHRI N. K. P. SALVE: Where?

DR. (SHRIMATI) SAROJINI MAHISHI: It is for the Government to find out—where? I am giving the statistical information.

SHRI N. K. P. SALVE: You are making an allegation.

DR. (SHRIMATI) SAROJINI MAHISHI: Supposing it is given in the initial stage, after a period of time at least this subsidy should be withdrawn because the Company has to make profit. If the Company has not been making profit, naturally they have to see that the management and the technology that is introduced, new technology, are properly introduced into the industry.

Sir, in some of the aluminium industries, even the electricity supplied by the thermal plants was not working properly and private management has purchased the thermal plant also in some of the industries because the thermal plant could not supply electricity to the industry. Therefore, in these circumstances, there is no question as regards the utility. Aluminium is a material which is necessary in different industries for sophisticated instruments and appliances and also for the utilisation by the poorer people in the country who utilise aluminium utensils, and not steel or brass utensils. Therefore, I would like to know why the Government has not been paying attention to this thing that instead of increasing the utilisation of idle capacity, installed capacity, they are trying to import to satisfy the needs of the country in this matter. It is not the case of aluminium. It is in a number of other industries also. Therefore, I would like to say, Sir, that they have formed, so to say, an equation for the imported aluminium because indigenous aluminium has to be given protection. On the imported there is a cess added on to it and sub-

sidy is given to the aluminium produced indigenously. I do not know whether this equation is correct:

Imported aluminium plus cess—
indigenous

aluminium minus subsidy...

(Interruptions)

I would like to know whether the Government has resorted to this equation. I would like the Government to throw some light on this. In fact, the entire economy of the country is based on this equation; or they would like to resort to certain things so that we become self-reliant in many of these products which are essential.

The importance of aluminium is increasing. There are a number of bye-products coming out of the use of aluminium; for example, sodium aluminate and a number of other things—which are used for filter of drinking water in big cities. But we are not going into all these things. On the contrary, we are trying to satisfy the few needs that are quite common needs in our country, and for these also we are trying to import.

I would like the Government to look into this matter.

MR. DEPUTY CHAIRMAN: Mr. Dalwai.

SHRI HUSEN DALWAI (Maharashtra): Mr. Deputy Chairman, Sir, I rise to support the Bill because it has been brought with the laudable purpose of re-starting aluminium production which has been closed down and with a view to giving employment to the workers and also for increasing its economic viability. But, ultimately, as per the Bill this project will go into the hands of the Bharat Aluminium Company, and if you see the progress of Bharat Aluminium Company there is no satisfaction. I come from Ratnagiri district where Aluminium pro-

ject was sanctioned in 1974 and the estimated cost of this project was Rs. 75 crores out of which Rs. 16 crores have already been spent, but the project has not seen the light of day yet. Ten years have elapsed so far. I am raising a very vital issue. The accountability of Government to Parliament has to be examined in this connection. As a matter of fact, this project was entrusted to an organisation called the Bharat Aluminium Company. And even now they are examining the viability of the project. When the project was already cleared by the Planning Commission, after ten years if they are still examining the viability of this project, it is really surprising. When the organisation has been entrusted with the execution work which has been sanctioned by the Planning Commission and for which provision has been made by the Government, if the organisation is not doing it properly, Parliament can asked the Government about the performance in pursuance of the expenditure incurred. Now, an amount of Rs. 16 crores has been spent; yet, the aluminium project has not come up. So I would like the honourable Minister to throw light on this Ratnagiri district is a very backward district and with a view to building an infrastructure for industrial development this project was taken up there, not from any monetary point of view. When a project is taken up in a backward district for industrial development there, the profitability of such public sector projects should not be taken into account; it has to be considered not only from the economic viability point of view but the backwardness of the district and its industrial development which should be the guiding factor. In order to remove the regional imbalances we have to encourage these projects and when it was sanctioned as far back as 1974 and yet nothing has so far been done, I would appeal to the Minister, this does need looking into by the Minister. With these words I support the Bill.

SHRI KALYAN ROY (West Bengal): Sir, first of all I would like to congratulate the Minister for nationalising the corporation. I also congratulate him because congratulation is necessary. The habit of the private sector is to run down the public sector undertakings. In 1983-84 of all the non-coal mining corporations, Hindustan Zinc, Hindustan Copper, Bharat Gold Mines, Sikkim Mining Corporation and BALCO,—out of the five, three of them made profits and the losses of others have been considerably reduced. For that I would like to congratulate the present Minister of Steel and Mines. But the question which remains unanswered is that BALCO's losses are quite heavy in the last five years; the Government has given Rs. 60 crores as non-Plan support to BALCO companies. The finance which was to come from the private sector was not given but was misappropriated by the Birlas. Under the Aluminium Control Regulations 1970, according to the Minister sitting here, the producers whose retention prices were lower than the sale price, have to deposit the difference between the sale price and the retention price into an account known as the Aluminium Regulation Account. The producers whose retention prices are higher than the sale price draw the corresponding difference from the Aluminium Regulation Account. In other words, the two companies under the big multinational monopoly houses, HINDALCO and INDALCO are to deposit this difference in the Aluminium Regulation Account; the money which will be given to BALCO, to MALCO, to Jayka, Aluminium Corporation and NALCO, a new one which has come out, is given in order to see that they are viable. But in violation of the norms of decency the HINDALCO and the Birlas since 1977 when the Aluminium Control order came into existence have not paid to the extent of Rs. 35 67 27.633. They lost their battle in the Calcutta High Court. So, the

[Shri Kalyan Roy]

Birlas—they have the money, they have the lawyers and what not—went to the Supreme Court. And the Minister, Mr. Salve, and Mrs. Ram Dulari Sinha, are saying that we are going to get all the money from these companies, and the question of settlement does not arise, no interest was charged. But suddenly what happened? The whole thing came out of the court and a settlement was arrived at that Rs. 10 crores was waived. Mr. Salve said, they will not pay Rs. 35,67,27,633 but they will pay only Rs. 23-odd crores, which means Rs. 10 crores was waived. He said, no, it was not waived. It has been accepted that an amount of Rs. 10,42,29,128 was reimbursable to HINDALCO out of the Aluminium Regulation Account as additional electricity charges actually paid to the UP State Electricity Board. I would like to ask him whether he has seen the document that the money has been paid. Our information is that the Birlas have not paid Rs. 22 crores to the UP State Electricity Board. The UP State Electricity Board is in a loss today. . .

SHRI S. W. DHABE: More than that.

SHRI KALYAN ROY: . . . because the Birlas willingly, deliberately had withheld the payment. As a result, Sir, a huge money has accumulated. And the Birlas are so poor that they have no money to pay these Rs. 22 crores which has been an out of the court settlement. So, what Mr. Salve did? What Mr. Pranab Mukherjee did? They settled it that they will pay in 22 instalments. Not in a lumpsum the money will be paid. They will pay in 22 instalments, not to a sharecropper, not to a peasant, not to a farmer, not to a small scale entrepreneur, not even to a State Government. The State Governments have been warned that your overdraft is stopped. And here is the culprit sitting, settling with the Birlas

in the dead of the night at Bombay, giving up Rs. 36 crores, accepting Rs. 22 crores, and in 22 instalments. Naturally, the question will be asked: what was the cut? Secondly, whether the interest has been charged. You are charging heavy interest to the BALCO. The Minister said in reply to a question, Sir, that the BALCO was to pay an interest of Rs. 4.72 crores which has now been temporarily kept in abeyance. But a question was asked since March whether you have charged interest to HINDALCO. And last week the answer came that it is still under consideration. And I have got information that a secret deal has been arranged between the Birlas and the Government that no interest will be charged. (Time bell rings) Sir, it is not the Birlas alone. The other private sector company that is, the INDALCO, belonging to a multinational Mellone family, have not paid till today Rs. 16 crores to the Aluminium Regulation Account. Sir, what is the benefit they are getting? When all these public sector companies were taking loans from the banks for the working capital, the Birlas and the Indian Aluminium Company, out of the money they have not paid to the Government, were issuing bonus shares. They are not taking a single penny from the banks because the banks will charge heavy interest. So, their assets, the HINDALCO's assets, have gone up by 1,000 per cent, the INDALCO's assets have gone up by 500 per cent in the last few years. Whose money is this? It is all public money which was given to the Birlas to increase their assets. (Time bell rings)

Sir, the last point is, who is the consumer of aluminium. I know Mr. Salve will contradict me. There was a note by his Ministry saying, the time has come to nationalise the aluminium industry. Am I right or wrong? I have seen the note. If you want, I can even produce a photostat copy of

he note. The major consumers of the aluminium industries are the State Thermal Power Stations, the railways, and the Indian Airlines. So, 70 per cent of the total aluminium production is consumed by the public sector. So, there was a note by the Secretary of the Steel Ministry—who has been removed after giving the note—that the aluminium industry should be nationalised. But instead of nationalisation, the Birlas were given a gift. They were given a gift. I would like to know, the people would like to know what the cut was. What was the cut? I want to know what the cut was.

MR. DEPUTY CHAIRMAN: That will do. Let the Minister reply.

SHRI KALYAN ROY: Sir, my last point is that even the Company Affairs Minister gave a show cause notice to the Birlas that all this misappropriation, all this non-payment was not even shown in the balance-sheet of the HINDALCO. So, the Law Minister. Mr. Kaushal, gave a show cause notice to them saying that your balance-sheets are fraud, and why under Section 408 a Government Director should not be appointed. What did the Birlas do? The Birlas went to the Bombay High Court, got a stay order. And there is no appeal even by the Law Ministry against that stay order. So, I say that in view of this note of Ministry of Steel and Mines that all the aluminium industries will be taken over....

MR. DEPUTY CHAIRMAN: Yes, Mr. Minister.

SHRI KALYAN ROY: I know, Sir, that you are neutral. I know that you never had a cut anywhere. But let me put a question. I know that you had no cut. Those who had a cut to come into a deal, let them explain the position. Why should the entire aluminium industry not be nationalised?

P.M.

SHRI N. K. P. SALVE: Sir, I am very grateful to all the hon. Members

who have participated in this debate, particularly Shri Kalyan Roy, for giving whole-hearted support to a measures which is sought to be enacted by this Bill. Sir, several points have been made. Most of the points have nothing to do with the subject matter of the Bill unfortunately. I should have been very happy to deal with the points raised which related to the Bill that is sought to be passed by this House but, unfortunately, most of the questions which have been raised just do not relate to this. (Interruptions). First, however, Sir, whatever points have been dealt with, I will first reply to those and others which are wholly irrelevant to the Bill... (Interruptions). Sir, he had his say. I did not ask for a cut. Let him listen to me. Let us agree on certain points.

SHRI KALYAN ROY: I am sorry (Interruptions). But I also complimented him.

SHRI N. K. P. SALVE: For that I am extremely grateful, but I am extremely wary whenever he compliments me.

Sir, Mr. Sukomal Sen, *inter alia*, raised a point and showed concern as to what is going to be the fate of the labour which is working there. I am sure he has had a look at the Bill and he would have found that in terms of the schedule to the Bill, which enumerates various priorities for payment, in category-I have been put the employees' dues on account of unpaid salaries, wages, contribution to be made by the company and the employees to the provident fund and employees State Insurance premia relating to the Life Insurance Corporation of India and any other amounts due to the employees in respect of any period whether before or after the management of the aluminium undertaking had been taken over by the Central Government, I am sure this will satisfy him so far as the pecuniary interest of the labour is concerned. In fact, it is one of the main considerations why we entered into this matter.

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Otherwise, it was easy for us to allow the company to go into liquidation. But we did not allow it to do so. Firstly, because we were concerned about the employees who were working there. Secondly, we were concerned about the preservation of an asset, especially the downstream facilities, which are exceedingly good. We are not going to work the smelter. But the downstream facilities we are going to work.

Then, Mr. Yadav asked me the question on Hindalco, about the signature. Sir, about the Hindalco. I will be dealing in the end because Mr. Kalyan Roy has raised some important issues. He has asked about the import of aluminium why full capacity is not utilised? Sir, he is right to the extent that there is a grievance why we are not utilising our full capacity and in the meanwhile resorting to imports. It is a very inapt, improper and a pernicious approach. But the difficulty has been that whereas we have an installed capacity of 3.62 lakh tonnes, in 1983-84 we produced 2.20 lakh tonnes and in 1982-83 we produced 2.08 lakh tonnes and in 1981-82 we produced 2.06 lakh tonnes. The biggest culprit for under-utilisation of the capacity has been the Balco and the only and only reason is the power. Power has been hopelessly inadequate. The M.P. State Government, in spite of our contract with them, has not been able to give power only. Sir, last year, in 1983-84, we have augmented and our production has gone substantially high. That is also the main reason why we have been making losses because we did not use the entire rated capacity. When we are very much below the actual rated capacity, the losses are inevitable. But, Sir, the hon. Members will be pleased to know that we are now going ahead by installing our own captive power plants. Once our

own captive power plant is put up there, we will not be hamstrung for want of power supply.

Sir, there is one more thing that Mr. Yadav asked. He asked about the prices of aluminium and what about the labour management in Asansol, which also Mr. Sukomal Sen asked. So far as I am concerned, I am willing to assure the House that we will take labour participation in the management. I am one of those who believes that there must be labour participation in the management. That is the policy of my Government and we will certainly take someone from amongst the labour on the board of directors.

So far as aluminium prices are concerned, Shri Yadav seemed to be making two points that we did raise some aluminium prices and that creates hardship. Sir, it is a very involved question. I will not be able to answer it within this time. There are reasons and there are factors, as a result of which we have increased the prices of aluminium. In fact, I wish in the economy it was possible for us not to increase any prices whatsoever. But here the inputs are so excessive. Hon. Members referred to 2 paise being given; aluminium units have been given electricity at the rate of 2 paise; even if it was 5 times, our profits will be bumper profits; it will be a very lucrative industry. No such concession is given; the rates paid are very excessive and power is the main input in aluminium.

Mr. Reddy asked one or two questions. One was, management frittered away funds and the Government did not act in time. I do not know about frittering away of funds because that is a matter which, perhaps, the Law Ministry might be able to understand. But we did come at a time when they

threatened closure in 1973, and from 1975 we were in the picture—management has been taken over.

One thing I would request the hon. Members to very kindly appreciate is that if it is nationalisation that is a different story but if we have to act under Industries (Development and Regulation) Act, there are certain norms which we have to abide. It is not as though taking over of an undertaking under the IDRA tantamounts to nationalisation *ipso facto*; but it is not so. It is only this enactment which will enable us to take this undertaking and work upon same. It is true that what we are doing today could have been done earlier, but our effort was to see if we can get the management to take it back, put in some money, some capital and run the whole thing, because we did not want to get involved, as far as possible. If it has to be nationalised—I repeat—it is a different story altogether; but otherwise when it is taken under the IDRA, the idea and approach is to make the undertaking viable and give it back, if it has to be given back. Therefore, even though belated, I am sure, now that we have taken over, we are determined to make it commercially viable.

The second question is, shall we take over all such industries? There is no such proposal. There is some note to which Shri Kalyan Roy referred, about nationalisation, which he says he is looking into. I do not know which note he is referring to. Be that as it may, I shall deal with the most important question which, according to me, has been agitating the mind of Shri Kalyan Roy. Since he has been kind enough to me and paid personal compliments for all that has happened, I owe it to him, not because it is relevant to the subject matter, but because of courtesy to him. Hindalco he referred to. He is one Member—my grievance is—he is one Member who is fully knowledgeable about what is happening. He has been explained. Sir, supposed agreement is an agreement, in terms of which

the first condition was that the Birlas must, before coming to the table, accept the gross liability which had been determined under the A.R. Account. Rs. 35 lakh was the liability...

SHRI KALYAN ROY: It is Rs. 35 crores.

SHRI N. K. P. SALVE: Yes, I am sorry, it is Rs. 35 crores. Figures are not in dispute; only our intent is in dispute. So, Sir, Rs. 35 crore was the gross liability, they accepted it and they said before a court, in the Supreme Court, you have already agreed that actual money paid to UP State Electricity Board for additional electricity charges, has to be appropriately adjusted by you from the A.R. Account. So, this was the undertaking given before the court itself. About the grievance that Mr. Kalyan Roy expressed that to his knowledge, moneys have not been paid in fact, when he mentioned this to me, I asked specifically this question to the Aluminium Controller who is dealing with this matter and he said in terms that we have verified the bills, we have verified the payments, and I assure this House that only to the extent of moneys actually paid by the Birlas alone would be set off; it will not be a notional liability at all. This is second aspect of the question.

Third thing is about interest. That is outside the agreement. Statutorily no interest was contemplated but by an agreement, interest was contemplated. We will charge statutory interest when contemplated according to statute. Therefore, so far as this agreement is concerned, question of interest is very much open. It is outside this agreement. When we reach some finality as to that matter, I will be answerable to him.

SHRI KALYAN ROY: Why 22 instalments?

SHRI N. K. P. SALVE: Instalments we have not given by our liking or choice. Question is, they have to pay

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currently into A. R. Account. That is why, we say, first and foremost charge, no more accumulations. Out of the assets, they put the whole thing to us. They said, we will give you bank guarantee. They said, after giving the bank guarantee, we give you these moneys. Otherwise, if we had not given these instalments, the only alternative was to take the company into liquidation. They were not in a position to find so such money to be paid immediately. Therefore, we thought that instalments may be given. Sir, where the quantum has been properly determined, where no compromises are made on the payments, when the payments to be made by them are exactly in terms of the ... (Interruption)

SHRI S. W. DHABE: Why 22 instalments? (Interruption)

SHRI N. K. P. SALVE: Instalments have been given. He has mentioned the instalments. I do not exactly remember. But we have given these instalments. I have explained the circumstances. But I would beg of Shri Kalyan Roy, Shri Dhabe and others, responsible Members as they are. So far as the quantum is concerned, there is no dispute. So far as the payment to be made in terms of the undertaking they have given in the Supreme Court is concerned, there is no dispute. Interest is not the subject-matter whatsoever of the agreement. Would a businessman possessed of his rational faculties under such circumstances ever give a cut? Where is the relief given? There is not a rupee. I repeat. There is not any relief given to Birlas or the Hindalco. The agreement is one in terms of which they are made to do what we were asking of them to be done in terms of our... (Interruption)

SHRI KALYAN ROY: They have not paid since 1979. The total accu-

mulation is Rs. 35 crores. How much money they have made by non-payment all these years?

SHRI N. K. P. SALVE: This is not a fair question to me by Mr. Kalyan Roy. How much money they have made out of non-payments? They must have made some money. I have no doubt in my mind. Certainly, they must have made.

SHRI KALYAN ROY: You are a top-most Income-tax lawyer.

SHRI N. K. P. SALVE: In this Ministry, I have forgotten my tax laws. I have forgotten my accounts. I am unable to understand balance-sheets. But one thing I wish to make clear once and for all on the floor of this House. If any industry is to be nationalised, it will be nationalised. The decision is to be taken by the Government. But if it is not nationalised, then, we have to be just and fair to the industry, as much as we expect the industry to be just and fair to us. They have accepted the liability to pay. They have come forward. Otherwise, if I may take the House into confidence, I was refusing to meet the representative of the Birlas until they accepted their gross liability to pay as such. Mr. Kalyan Roy is one person who knows it. Several endeavours and efforts they made. They would not get an appointment with me, until they accepted this as the first pre-condition.

SHRI KALYAN ROY: They tried. It is a good admission you have made.

SHRI N. K. P. SALVE: They tried. They tried to come, to talk. I said 'No talks will start until you accept the liability'. This is because we have made a commitment to the Parliament. Is it possible for us to do something at the back of Parliament having made a commitment to Parliament? It is just a figment of imagination, total figment of imagination,

to consider that under this agreement, any concession, whatsoever, has been given to Hindalco. No concession has been given. The idea of cut and all that is equally ridiculous. In the end, I will submit... (*Interruption*)

SHRI S. W. DHABE: What about the Ratnagiri project in Maharashtra?

SHRI N. K. P. SALVE: As far as the Ratnagiri project is concerned, what is happening is this. I apologise to Shri Dhabe. I should have answered this question. As you know, we have got a very large project coming up in Orissa. Two lakh and eighteen thousand tonnes. NALCO. In the next two or three years, we will be producing sufficient aluminium to meet the requirements in India. That is why, that is the reason why, the Ratnagiri project, for the time being, is at the pace at which it is... We are likely to sink Rs. 2,000 crores in this aluminium project, in NALCO.

SHRI S. W. DHABE: You have already paid Rs. 10 crores in regard to this Ratnagiri project.

SHRI N. K. P. SALVE: I do not know where from it has been paid, who has paid it. I am not aware of the payment of Rs. 10 crores. One thing is clear. We are dead bent to ensure that we do not go ahead with the import of aluminium. We want to be self-sufficient and we want to work towards it; we are working towards it.

MR. DEPUTY CHAIRMAN: The question is:

"That the Bill to provide for the acquisition and transfer of the right, title and interest of the Aluminium Corporation of India Limited in relation to its undertaking at Jaykay Nagar, near Asansol (West Bengal) for the purpose of ensuring the continuity of production of aluminium and aluminium fabricated products which are essential to the needs of the community and

thereby to give effect to the policy of the State towards securing the principles specified in clause (b) of article 39 of the Constitution, as passed by the Lok Sabha, be taken into consideration."

The motion was adopted.

MR. DEPUTY CHAIRMAN: We shall now take up the clause-by-clause consideration of the Bill.

Clauses 2 to 31 and the Schedule were added to the Bill.

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

SHRI N. K. P. SALVE: Sir, I move:

"That the Bill be passed."

The Question was put and the motion was adopted.

THE PUNJAB STATE LEGISLATURE (DELEGATION OF POWERS) BILL, 1984

MR. DEPUTY CHAIRMAN: We shall now take up the Punjab State Legislature Bill, pass it and then the remaining four Bills we will take up together.

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRIMATI RAM DULARI SINHA): I beg to move:

"That the Bill to confer on the President the power of the Legislature of the State of Punjab to make laws, as passed by the Lok Sabha, be taken into consideration."

Sir, the House is aware that the Proclamation dated 6-10-1983 made by the President under article 356 of the Constitution in relation to the State of Punjab, *inter alia* provides that the power of the State Legislature shall be exercisable by or under the authority of Parliament. Under article 357(1) (a) of the Constitution, it is permissible for Parliament to confer on the President the power of the Legislature of the State to make laws and to authorise him to