

PROF. SHER SINGH: I have already submitted that we have appointed a National Committee on Environmental Planning and Co-ordination. All the problems mentioned in his speech and the quotation from the newspaper giving some information about certain animals which consume certain pests or are injurious to agriculture and also to other animals will be considered. All these things will be considered by the National Committee on Environmental Planning and Co-ordination and also by the agricultural department and other concerned departments. I think for the future when some foreign trade is done, all these things will be considered at the level of the National Committee. The planning and co-ordination of these environmental things is their charge and only with their permission all these things will be done in future.

SHRI K.P. SINGH DEO: Dual control will be there. Environment is a part of this and there is no control of environment in the Bill. The National Committee has to give certain guidelines. What is the purpose of this Bill if it cannot control the environment?

PROF. SHER SINGH: The second thing he said is about the sanctuaries and National Parks. I may inform him that if he goes through the Bill, he will find that grazing is prohibited in the National Parks. Grazing is not allowed in the National Parks. In the sanctuaries also it will be regulated. It is not that free grazing will be allowed. We are taking all care to see that wild life is protected and the rarest animals in our country may not become extinct. As I have already said, all care will be taken and more sanctuaries and National Parks will be brought under the Central scheme, with the help of the State Governments,

SHRI K.P. SINGH DEO: I had asked about animals in captivity in the zoos. They have been kept out of the purview of the Act. In 1969 a tiger was shot dead inside the Delhi zoo because it escaped. The white tiger population is a rare species . . .

THE VICE-CHAIRMAN (SHRI V.B. RAJU): Your point is regarding animals in captivity.

SHRI K. P. SINGH DEO: Specially in zoos. Zoos and museums have been kept out of the purview of the Act.

PROF. SHER SINGH: We take extreme care to protect these animals. There is every scheme for their feed, for their health, etc. Everything is done for them. It is only when they become out of control, when they become a danger to human life it is only then that some such action is taken. Otherwise we protect wild life.

THE VICE-CHAIRMAN (SHRI V. B. RAJU): The question is:

"That the Bill be passed".

The motion is adopted.

; THE VICE-CHAIRMAN (SHRI V. B. RAJU): The House stands adjourned till 2 P.M.

The House adjourned for lunch at twelve minutes past one of the clock.

The House reassembled after Lunch at half past two of the clock. The VICE-CHAIRMAN (SHRI V. B. RAJU) in the Chair.

THE VICE-CHAIRMAN (SHRI V. B. RAJU): Both hon'ble Members, Mr. Shejwalkar and Mr. Prem Manohar, are not here. The Minister will, therefore, move his Bill.

THE INDIAN IRON AND STEEL COMPANY (TAKING OVER OF MANAGEMENT) BILL, 1972

THE MINISTER OF STEEL AND MINES (SHRI S. MOHAN KUMARAMANGALAM): Mr. Vice-Chairman, Sir. I move:

"That the Bill to provide for the taking over of the management of the undertaking of the Indian Iron and Steel Company Limited for a limited period in the public interest and in order to secure the

[Shri S. Mohan Kumaramangalam] proper management of the undertaking, as passed by the Lok Sabha, be taken into consideration". The House is aware that last month by means of an ordinance, the management of the Indian Iron and Steel Co. was taken over by the Government. The Indian Iron and Steel Co., along with the Tata Iron and Steel, have been the producers of steel since prewar days. But the rated capacity of the Indian Iron today is about a million tonnes achieved after expansion in 1953 and 1955. The equity capital is Rs. 24.88 crores, the total number of shares being 248,000 and odd shares. Out of this entire equity capital 49.34 per cent, is owned either by the Life Insurance Corporation—actually the percentage of total shares of the Life Insurance Corporation is 30.80—or the Public Trust, that is, 13.50, and the Unit Trust of India 4.04 per cent. One per cent, shares are owned by general insurance companies. Apart from this, 4.6 per cent, of the shares are pledged with the three nationalised banks, that is to say, the Bank of India, the Punjab National Bank and the Central Bank of India. The hon'ble Members will appreciate that mere pledging of shares with the banks does not necessarily mean that the Government or the banks control them because these pledged shares can always be redeemed, but the control of the financial institutions, so far as the ownership of shares is concerned, extends to something like 49.34 per cent. I am giving these figures to show the interest of the Government in the Indian Iron and Steel quite apart from the general importance of the Indian Iron from the point of view of the national economy.

In fact, one can say that we have a double interest, firstly as part-owners and secondly from the point of view of the importance of steel.

Now, during the last few years, production in Indian Iron as hon. Members I think are aware, has been steadily decreasing. The high point of all production was in 1963-64 when the production of steel ingots reached the figure of 1,027,000 tonnes and that of saleable steel reached 8,10,000 tonnes. But from that peak, which

was reached in 1963-64, production has been steadily decreasing, falling in 1968-69 to 7,77,000 tonnes of steel ingots, in 1969-70 to 7,00,000 tonnes and in 1970-71 to 6,27,000 tonnes. This caused us considerable concern over this period and we have been attempting to bring about an improvement in production by actively intervening in the working of Indian Iron itself. We have been having on the Board of Indian Iron virtually four representatives, a Government Director in the shape of the Secretary of the Department of Steel, the Chairman of Hindustan Steel, the Chairman of Bokaro Steel, and also the Zonal Manager of the East Zone of the Life Insurance Corporation. And these gentlemen at various times have taken initiatives, particularly during the last year, 1971-72, in order to try and improve the position. But despite all the efforts that they had made, the production figure in 1971-72 dropped to 6,17,000 tonnes of ingots and 5,00,000 tonnes of saleable steel. Therefore, even by the end of 1971-72, we had come to the view that it may be necessary for the Government at the next annual general meeting to exercise the obvious majority control that it had by virtue of control of 49.34 per cent of the shares, to take over the management of the company through the ordinary procedure available under the Indian Companies Act. Hon. Members, therefore, will undoubtedly like to know why it is that we hastened the process and resorted ultimately to the procedure of passing an Ordinance when Parliament was not in session, because normally one does not take such action unless there is very great urgency and necessity. I think it is my duty to put before the hon. Members what exactly happened which led us to take this decision. Now the production in the last quarter of 1971-72 was 1,43,300 tonnes of steel ingots and 1,24,617 tonnes of saleable steel. The production, however, in the first quarter of 1972-73, i.e. from April 1 to June 30, 1972, dropped precipitously. From 143,300 tonnes of steel ingots in the last quarter, it dropped to 91,029 tonnes: that is to say, it dropped by 36 per cent so far as production of steel ingots is concerned. Similarly if one takes saleable steel, the drop was even greater.

From 1,24,617 tonnes in the last quarter of 1971-72, it dropped to 69,197 tonnes, that is to say a drop of something in the region of 43 per cent.

To make the point even clearer and explain and underline the urgency which compelled the Government to take this expeditious action, if the production in Burnpur had continued at the same rate as the first quarter, that is to say, April to June 1972-73 for the rest of the year we would have ended with an annual production of steel ingots of something in the region of 3,64,000 tons; and so far as saleable steel is concerned, 2,76,000 tons. That is to say, from the already low production of 1971 of 6,17,000 tons of steel ingots we would have dropped to somewhere in the region to 3,64,000 tons; from the already low production of saleable steel of 5,00,000 tons we would have dropped to something like 2,76,000 tons. I am not saying it would necessarily have happened like that. In fact, the first quarter of the year is always somewhat a bad quarter for production in our country in any area. That is because it is the hottest part of the year—April, May and June. And we usually take it that it will be somewhat lower than the normal. But certainly even making every allowance for that, we would probably have had, let us say, 400,000 or 410,000 at best. I was extremely worried when I found that in the month of July particularly we dropped precipitously to merely producing 400 tons of saleable steel a day which comes to something in the region of 12,000 tons a month. You can imagine what a precipitous drop it is, because even so far as production of steel ingots is concerned. April and May gave an average of 34,000 tons; but when we reached June, it dropped to 23,000 tons. And it looked as if it was going to drop even further in July. Therefore, really by the middle of June or so the Government was compelled to come to the conclusion that there was no alternative except take over the management of the Indian Iron and, as the honourable Members know, we ultimately passed an Ordinance and took it over in the middle of July. I do not say that

things have radically improved after our take-over. I think it would be premature to try to judge the effect so far as production is concerned because it is just over a month really since the Government took over directly the management of this concern. But there is some improvement. The daily rate of production so far as ingots are concerned increased from 716 in the first fortnight of July to 830 in the second fortnight and to 1188 in the third, that is to say, in the first fortnight of August; equally so far as saleable steel is concerned, from 400, the daily rate from July 1-16 before the take-over had increased to 671 in the second fortnight of July and 799 in the first fortnight of August. But if one looks at the figures of May which themselves are not satisfactory, as I mentioned earlier to the honourable Members, the daily figure for May was 1080 for ingot steel and 876 so far as saleable steel is concerned. And so the first fortnight of August is slightly better so far as ingot production is concerned, and somewhat worse so far as saleable steel is concerned. So we are very far from getting over the hump yet. I can only say that I think we have arrested what I might call the rapid deterioration; but to be able to push back to the level which we really had hoped to attain during this year, namely, production of steel ingots of 8,00,000 tons, 80 per cent of the rated capacity of one million tons, I think it will take us some time. I am not prepared in fact, to be quite frank, to make any commitment at the moment because of the very great difficulties which we are facing there.

The House will certainly have a right to ask for an explanation from us. They can ask: Why did you allow things to come to this pass? Why did you not act earlier? Why were you sleeping? And, Sir, possibly, great and extravagant adjectives may also be resorted to about our failures, about our not taking it over earlier. I can only say, like an accused pleading extenuating circumstances when charged with a crime, that we really were not able to grasp the extent to which things had deteriorated, because, though we were conscious of

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the fact that there was a certain amount of neglect of maintenance, that equipment which should have been replaced had not been replaced, that modernisation which should have taken place, had not taken place and so on, I think, to some extent, we were misled by being made to feel that more pronounced in all these was the very -disturbed industrial relations which we had for the last three years and that continued to give the management an alibi in relation to their own weaknesses. It is not that the disturbed industrial relations did not play an important, I should say, significant role so far as fall in production, is concerned. They did and I do not want to go into the details now. Apart from that, we had also had these obvious managerial mistakes, to use the mildest expression, in this sphere which I mentioned just a minute ago. The biggest and the most serious blunders, I think I can call it that way, that have been committed by the previous management were in relation to the coke ovens.

Out of the five coke oven batteries today in the Indian Iron, only No. 7, No. 8 and No. 9 were in operation at the time of the take-over and even in the seventh battery particularly, a large number of coke ovens were out of action. Now, batteries No. 5 and No. 6, which are very old batteries, built or constructed sometime in 1929-30 or 1930-31, in that period, had not been put to use for the last four or five years. On the initiative of the Government Directors on the Board, action was taken ultimately, despite the earlier opposition of the management, to bring batteries No. 5 and No. 6 back into operation and battery No. 5 was brought into operation about four days after the take-over, namely, the 20th July or so. Even the obvious precaution, which we have taken in the other steel plants, particularly in Bhilai and Rourkela, when we found that the coke oven were giving us trouble, of resorting to oil firing as an alternative source of fuel, was not resorted to in the Indian Iron and therefore the trouble that we had in the coke ovens in the Indian Iron led inevitably to lack of fuel and,

therefore, had, what may be called, a chain effect so far as production is concerned.

So, Sir, these were the problems which ultimately led to the Indian Iron being in the position which I described a little earlier. Of course, as I have just now said, the disturbed industrial relations had their own effect. From 1967-68, as in Durgapur, we have had a state of affairs in Burnpur which has continuously affected production. There was a prehistoric system in Burnpur in which the workers had no weekly off at all and they worked for seven days a week and, I would say, exploiting what may be called the greed of some sections of the workers, overtime was pushed up to a very high figure and in violation of the law, both in relation to the grant of overtime and in relation to the weekly off and the result of this was that the wage settlement in the steel industry as a whole, reached in 1970, could not then be extended directly to Burnpur. As far back as 1965 or so, the Wage Board for the iron and steel industry had recommended that this seven-day week system, this overtime system which is in operation and which is in violation of the law, should be put an end to. But, unfortunately, no settlement could be arrived at between the workers on the one hand and the management on the other.

Ultimately, a settlement was arrived at only in December . . .

SHRI T. N. SINGH: What is the overtime paid . . .

SHRI S. MOHAN KUMARAMANGLAM: Let me first complete my points. After that I can reply to your points. It is better if I put before you a connected picture. This settlement arrived at with the workers in December, 1971, was implemented from February, 1972. But, unfortunately, though it provided for cancellation of the weekly off on the one hand and it provided for the abolition to a very large extent of what may be called illegally granted overtime, on the other, it has also led, despite heavy compensatory payments being made to the workers, to a certain reduction in the emoluments- of a minority of the workers

and, therefore, has led to certain conflicts. I do not go into these details now. I only mention them because I would like to make an appeal to all these Members of this House who are active in the trade union movement to help us in sorting this out. It is an extremely difficult problem still facing us. The settlement that was arrived at has not produced the results which the management had hoped it would. And now the ball is very much in the court of the new management in charge on behalf of the Government.

Now, I would also like to mention to the House the steps that we have taken after the take-over. We have increased the availability of coke and coal tar from outside, that is to say, lacking the capacity to make coke in Burnpur we have average for 1,000 tonnes of coke from Durgapur Projects Ltd., a West Bengal public sector undertaking on the one hand, and about 1,000 tonnes of coal tar from Durgapur Steel Plant, which has helped us to push up the production in the last fortnight of July and the first fortnight of August. We have taken up the repair and rebuilding of coke ovens on a priority basis, and commissioned, as I mentioned, Battery No. 5 on July 21st, which has given us a little additional coke every day. We are implementing a crash programme to introduce technical facilities for oil firing. I myself went to Burnpur soon after the takeover and found that the equipment in a number of shops like the cranes was in a very bad condition, and we have taken emergent steps to place orders for re-conditioning the cranes with Jessops and for new boilers with M/s. AVB a private sector firm in Durgapur, in order to get away from the chronic shortage of steam which also has affected production. Perhaps the achievement on which the management, after the take-over, can be congratulated, is that we have restored rolling the Central Sill Section, which is of some importance, because this is a section where all the rolling is done of the plates which supply raw material for the wagon building industry. In the whole of India this is the only place where these plates are produced. If we had not done that, probably it

would have seriously affected the working of the wagon building industry itself. So as a result of that, now we have produced something like 11,994 tonnes by the first fortnight of August of saleable steel compared to 16,899 tonnes for the whole of July.

Now, to give one last figure, until August 20th we had produced in terms of steel ingots more steel ingots than in the whole month of July, that is to say, we produced about 33 per cent more.

Hon. Members will, I am sure, agree with me that it is not going to be very easy to pick up the threads of Indian Iron effectively and bring production back to the level it was in 1963-64.

Very likely, the immediate investment in order to bring about or to rehabilitate the plant itself will cost somewhere in the region of Rs. 20 crores or so. And to go forward from the 1 million level to the 1,300,000, which also we want to do during the course of the next two years, it may cost another Rs. 27 crores. Altogether the total programme will be in the region of Rs. 47 crores or so. We know that it involves a substantial amount and we want to be sure before we push forward faster with this programme that we can really implement it effectively.

I would like to mention finally before I sit down that we have taken certain special power in this Bill which you do not ordinarily find. You will find that particularly in clause 3(3) which says: Any contract, whether express or implied, or other arrangement, in so far as it relates to the management of the business and affairs of the company in relation to its undertaking and in force immediately before the appointed day, shall be deemed to have terminated on the appointed day. This is not a common clause and I think I owe it to the House to explain why exactly we have adopted this particular clause.

Now, as far back as 1970, the 4th of April, the managing agency arrangement between M/s Martin Burn, who were the managing agents, and the Indian Iron and Steel Company was terminated in accordance with

[Shri S. Mohan Kumaramangalam] the termination of the managing agency system throughout our country under the Company Law after the amendment of the Indian Companies Act. Immediately after this managing agency agreement was terminated, the Board of Directors of the IISCO appointed M/s Martin Burn as the Secretaries of the Company to run the ministerial and day-to-day administration of the company on a remuneration of Rs. 12,500 a month for a period of five years with effect from the 4th April, 1970. In addition to that, a number of other contracts were entered into by the IISCO with the Martin Burn. Martin Burn were to act as registrars of the company for a period of five years. They were to look after the security arrangements of the Head Office at Calcutta for which they were to be paid a remuneration of Rs. 7,500 a month. IISCO had to pay an amount of Rs. 8 lakhs a year for the use of the premises in Calcutta. Several departments of Martin Burn were by contract accepted as the departments to look after the work of the IISCO. The Cash Department and other departments of that character were among them. A number of other agreements were signed between Martin Burn on the one hand and the Indian Iron and Steel Company on the other which virtually amounted to restoring to Martin Burn the same powers that Martin Burn had when they were managing agents. Obviously, we did not want that position to continue. Therefore, we took power vide clause 3(3) by which all contracts, which the hon. Members may note, relate to the management of the business and affairs of the company. It does not relate to other contracts relating to its business, such as sale or purchase; they are not covered by clause 3(3). Only the contracts which relate to the management of the company are covered by clause 3(3). Hon. Members will appreciate the obvious reasons which compelled us to introduce this rather exceptional clause.

Finally, a word about our intentions for the future. Hon. Members, even before the Bill was taken up here in the House, have been asking me. Why is it that we have fixed two years' period? What was the purpose behind

it? Why is it that we have only gone ahead with take-over of the management of the company and why did we not take over the concern as a whole? The answer is, I think, not a difficult one. First of all, we have been advised that in law unless we fix a period, management compensation will have to be paid. If we want to take advantage of the provisions of article 31A of the Constitution, then it is necessary to fix the limited period for which that protection would be available. So, we had to fix some figure. We decided on the period of two years because we thought that within two years we should be in a position to come to definite and clear-cut decision about the future of the Company. Let me make it quite clear, as I have made it clear quite repeatedly, that there is no question of there being doubt in the mind of the Government, about the permanency of the take-over of the management by the Government.

That is, new the epoch of private management of Indian Iron is ended once and for all and for ever. But the question is how we should do it because already we have got 49.34 per cent of the shares through the LIC, the UTI and the Public Trustee. Should we, therefore, acquire the whole undertaking and pay compensation which in terms of the Constitution as it stands today we have to pay, may be not market value but some compensation at least, to persons who by virtue of their management and running of the organisation do not really deserve so much compensation or should we buy up those shares at whatever cost they are available in the market and thereby totally take over control, or should we expand the share capital in terms of whatever moneys we advance to the company in order to be able to rehabilitate the company and run the company in the future? These are questions which we thought it would not be proper for us to decide before the managerial takeover because having taken over managerially we would be in a position to examine the exact financial condition of the company, the worth of the equipment, the amount which we have to put in and invest in order to put it back on its feet in perspective so far as expansion is concerned and having

taken a decision in the light of those facts and circumstances we would be able to say yes, we will do this or this or this because there are number of alternatives before us. We have fixed a period of two years to enable us to have some time to take this decision and we do not anticipate it will take more than this time; probably it will take us something less than this time and I think that is the explanation for fixing this period of two years and not going in for total acquisition or nationalisation as some hon. Member have asked earlier. I think that in terms of the Constitution as it stands today and in terms of our control of Indian Iron as it is today, it was a sensible thing on the part of the Government to do this and I would commend it to the House. I would only conclude by repeating to the hon. Members that certainly we do not underestimate the job that we have got before us in Indian Iron to put it effectively on its feet and I am sure the Government will have the co-operation of all the Members of this House, the country and the workers in carrying out its duty in the Indian Iron.

The question was proposed.

SHRI T. N. SINGH (Uttar Pradesh): In order that the Members may participate in the discussion intelligently it is desirable that the Minister should supply information on one or two points. Firstly, during this period did the company ever ask for foreign exchange for replacement and replenishment purposes and what was the Government's reply to it? Secondly, were any orders placed by them from indigenous or non-indigenous sources? Thirdly, the Chairmen of the two steel companies and the Secretary of the Steel Ministry were on the Board; what was their preliminary report regarding the functioning of this concern apart from whatever has happened?

SHRI S. MOHAN KUMARAMAN-GALAM: So far as the question of foreign exchange is concerned, it is not the assessment of the Government that any difficulty in relation to the sanctioning of foreign exchange has

affected the position so far as rehabilitation is concerned. Whatever efforts were necessary have* been made and we have made no rejections of that character. Of course, the hon. Member knows much better than I do, being far more experienced than I am in this area, there are usually some delays in matters of this character but I can categorically say this is not the reason for the deterioration in production. So far as the question of placing orders on indigenous sources is concerned, there has been no obstacle put in the way of Indian Iron management in doing anything of that character.

SHRI T. N. SINGH: When did they place the orders? Was it in time or not?

SHRI S. MOHAN KUMARAMAN-GALAM: It is our case that there has been a deterioration in machinery, in the equipment itself due to age. There has also been deterioration in maintenance itself.

That is, the managerial functioning of Indian Iron has deteriorated in the last five years or so. This is our case, I can prove it. If it comes to that, it is not difficult to prove it, and this is one of the contributory causes. So far as the report of the Chairman of Hindustan Steel, Chairman of Bokaro as well as the Steel Secretary is concerned, as I have mentioned in the course of my contribution to opening the discussion on this Bill, quite some time ago, in January or February, the report they gave us led us to the conclusion that the management cannot be left in the hands of the present group, that is to say—if I may use the expression—the Martin Burn group, and we had taken a decision in principle that at the next General Body meeting we will have to displace them. But we did not know how fast things were deteriorating until really we saw the figures of April and May, and it was on the initiative of these three members of the Board, on the information they gave the Government that ultimately we took this decision. I think I have made the position clear.

श्री नवल किशोर (उत्तर प्रदेश) : श्रीमन्, जहाँ तक इस विधेयक का संबंध है, इसके जो बुनियादी उसूल हैं, उनका मैं समर्थन करता हूँ। सरकार ने इंडियन आइरन एंड स्टील कम्पनी का इंतजाम अपने हाथ में लिया उसमें मुझे कोई ऐतराज नहीं है, मैं उसको भी सपोर्ट करता हूँ लेकिन श्रीमन्, जिस ढंग से यह किया गया उसमें मुझे ऐतराज है। कुमारमंगलम साहब एक होशियार वकील हैं, उन्होंने कुछ बातों का पहले से ही जवाब दे दिया। मैं इस बात को जानता हूँ, श्रीमन्, कि कांस्टीट्यूशन में आर्डिनेन्स बनाने का, आर्डिनेन्स जारी करने का अधिकार सरकार को है लेकिन कुमारमंगलम साहब इससे इति-फाक करेंगे कि इस अधिकार को जितना कम इस्तेमाल किया जाए उतना ज्यादा अच्छा है और खासतौर से ऐसी सरकार जो एक डिमो-क्रेटिक गवर्नमेंट हो, उसके लिए यह बहुत शोभा की बात नहीं है कि आप दिन वह आर्डिनेन्स निकाल देती है। श्रीमन्, मैं समझता हूँ, सरकारों ने इस आर्डिनेन्स-मेकिंग पावर का जितना मिस्यूज किया है उतना शायद ही किसी डिमो-क्रेटिक कन्ट्री में मिस्यूज किया गया हो। 14 तारीख को आपने आर्डिनेन्स निकाल दिया इस्टील कम्पनी को टेकओवर करने का जब कि 31 तारीख को पार्लियामेंट बैठ रही थी। श्रीमन्, मुझे इसमें ऐतराज नहीं कि आपने इस फैक्टरी को लिया। मैं आगे चल कर बताऊंगा, आपको इसको बहुत पहले ही टेकओवर करना चाहिए था। लेकिन 2 हफ्ते तक आपने इंतजार नहीं किया और पार्लियामेंट के सामने "फैट एक्मप्ली" लाने की जो आदत है, यह जो सरकार का एक तारीका एक ट्रेंडिशन बन गया है, इस पर मुझे बहुत बड़ा ऐतराज है।

श्रीमन्, दुर्भाग्य यह है कि अगर एक अच्छा काम भी यह सरकार करना चाहती है, तो इतने भौंडे ढंग से, इतने "शैबी" ढंग से करती है कि उसका सारा चार्म समाप्त हो जाता है। कुमार-मंगलम साहब ने एक कारण बताया, और वह सही बताया उन्होंने, कि इसका प्रोडक्शन गिर

रहा है। उनके हिसाब से 1963-64 में करीब 10 लाख टन उसमें लोहे का उत्पादन हुआ मगर 1971-72 में वह घट कर करीब 6 लाख टन रह गया—40 परसेन्ट घट गया, 60 परसेन्ट रह गया। श्रीमन्, उन्होंने फैसला उसी वक्त किया 1971 के एन्ड में, जब उनको यह महसूस हुआ कि 1971-72 साल के आखिरी तीन महीनों का प्रोडक्शन जो था वह पहले के तीन महीनों के प्रोडक्शन से काफी घट गया है। तब उन्होंने फैसला किया कि हम इसको टेकओवर करेंगे। श्रीमन्, 1971-72 के एन्ड के मानी हुए 31 मार्च, 1972। उन्होंने टेकओवर किया जुलाई में। तो ज। फैसला 31 मार्च से पहले हुआ था कि इसको हम टेकओवर करेंगे, तो अप्रैल, मई, जून, तीन महीने—बल्कि साढ़े तीन महीने—उन्होंने इंतजार किया लेकिन 15 दिन इस बात का इंतजार नहीं किया कि जब पार्लियामेंट बैठने की नोटिस इश्यू हो गई, तो आर्डिनेन्स नहीं निकाल कर पार्लियामेंट के सामने इस चीज को लेकर आते। हालांकि आपने एक वकील की तरह से जवाब देने की कोशिश की, मगर एक बेसिक चीज जो है वह रह जाती है कि यह सरकार समझती है कि पार्लियामेंट कोई चीज नहीं है, हम जो चाहें, जब चाहें आर्डिनेन्स से पास कर दें, उसके बाद पार्लियामेंट में हमारा बहुमत है ही, आर्डिनेन्स निकालने के बाद पार्लियामेंट को उसको स्वीकार करना ही पड़ेगा।

उन्होंने बतलाया कि इस वक्त जो प्लान्ट है उसका डिटेरियोरेशन हो गया है। उन्होंने यह भी बतलाया कि जो मैनेजमेंट था वह सही नहीं था, अच्छा नहीं था, उसके अन्दर कुछ कमियाँ थीं, कुछ खामियाँ थीं, प्लान्ट की मरम्मत नहीं की गई और प्लान्ट पुराना था। उन्होंने पुरानी मशीनरी की जगह पर नई मशीनरी नहीं लगाई। उन्होंने आगे यह भी बतलाया कि उनके मजदूरों के साथ सम्बन्ध अच्छे नहीं थे और उन्होंने इस सम्बन्ध में दो तीन मिसालें भी दीं। वीकली आफ नहीं होता था और ओवरटाइम बहुत ज्यादा दिया जाता था, यह ठीक है, मगर

यह भी माननीय मंत्री जी बतलायें। अभी श्री टी० एन० सिंह जी ने आप से पूछा था कि कुछ पब्लिक सेक्टर की फैक्टरियां हैं, जैसे दुर्गापुर है, रूरकेला है और भिलाई है, इनके यहां ओवर-टाइम की पोजीशन क्या है? मैं चाहूंगा कि जब मंत्री जी जवाब दें, तो वे वहां के ओवर-टाइम की पोजीशन के बारे में भी बतलायें।

उन्होंने यह भी बतलाया कि 1970 में जो ऐग्रीमेंट हुआ था स्टील प्लान्ट ज्वाइंट मैनेजमेंट कमेटी के साथ, उसको भी लागू करने में काफी दिक्कत पेश आई। मैं जानता चाहूंगा कि अब जब आपने इसको टेक-ओवर कर लिया है, तो उस ऐग्रीमेंट को कितना लागू किया है।

एक माननीय सदस्य : अभी तो केवल एक ही महीना हुआ है।

श्री नवल किशोर : अभी एक महीने में कितना इम्प्लीमेंट हुआ है क्योंकि उन्होंने अभी खुद यहां पर कहा कि बोर्ड आफ डायरेक्टर्स में चार गवर्नमेंट के डायरेक्टर्स थे। उन्होंने यह भी बतलाया कि करीब 50 परसेंट शेयर पब्लिक फाइनेंसिंग इंस्टीट्यूशन्स के थे। 1963-64 से, करीब आठ सालों से बराबर इसका प्रोडक्शन घटता चला आ रहा है और वह 60 परसेंट तक आ गया। उन्होंने इस बारे में यहां पर आंकड़े भी दिये परन्तु मैं उन आंकड़ों पर इस समय नहीं जाना चाहता हूं। उन्होंने यह भी कहा कि अगर इस मिल को टेक-ओवर नहीं किया जाता, तो फिर प्रोडक्शन 30 परसेंट तक आ जाता और यह बात शायद सही भी है। मेरा कहना है कि आपके जो डायरेक्टर्स वहां पर बैठे थे, उन्होंने बोर्ड आफ डायरेक्टर्स की मीटिंग में क्या एड-वाइस दी? क्या उनका फर्ज नहीं था इस बात को बतलाने का कि मिल में जो पुरानी मशीनरी है उसको रिप्लेस किया जाय और इसका मोडर्नाइजेशन किया जाय? माननीय मंत्री जी इस बात का स्पष्टीकरण करेंगे कि डायरेक्टर्स ने इस तरह की सिफारिश की थी या नहीं और अगर की थी, तो बोर्ड आफ डायरेक्टर्स ने क्या ऐक्शन लिया?

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मेरी सूचना यह है कि जहाँ तक इस कंपनी की फाइनेंशियल पोजीशन का सवाल है, वह कोई खराब नहीं थी और प्रोडक्शन घटने के बावजूद भी उसका मुनाफा बढ़ा। उसके पास 1958 में 6.6 करोड़ का रिजर्व फंड था, जो बढ़कर 1971 में 42.44 हो गया। इस वक्त जो कैपिटल उन्होंने बतलाई वह 24.5 करोड़ की है जबकि शुरू में साढ़े सात और आठ करोड़ रुपये की कैपिटल थी। इस फैक्टरी ने अपने शेयर होल्डर्स को 22 या 23 करोड़ रुपये का डिविडेंड दिया। जब उनके पास रिजर्व फंड था, तो बोर्ड आफ डायरेक्टर्स का यह फर्ज था कि उसकी मशीनरी को माडर्नाइजेशन करते, उसकी रिपेयर्स करते और रिप्लेसमेंट करते। उन्होंने इस चीज को किया या नहीं किया, यह बात मैं माननीय मंत्री जी से जानना चाहता हूं।

श्रीमन्, यह तो इस की पृष्ठभूमि के बारे में बात हुई और यह सारी स्थिति साबित करता है कि आर्डिनेंस को लाने की जरूरत नहीं थी। आप इस काम को आर्डिनरी कोर्स में भी कर सकते थे। जहां तक टेक-ओवर का सवाल है, मुझे इस बारे में कोई आपत्ति नहीं है। मैं तो एक कदम और भी आगे जाना चाहता हूं। मैं तो मंत्री जी से कहना चाहता हूं कि जो भी ऐसी मिलें हैं, जहां कहीं भी सिक मिल्स हैं, जिनका इन्तजाम खराब है, जिनका प्रोडक्शन गिर रहा है, चाहे वे टैक्सटाइल की मिल्स हों, चाहे शुगर मिल्स हों या कोई भी मिल हों, गवर्नमेंट को उसे टेक-ओवर कर लेना चाहिये और इस काम में मैं उनको सपोर्ट दूंगा। हमें जो आपत्ति है वह केवल यह है कि जिस ढंग से टेक-ओवर किया गया है वह उचित नहीं था। सरकार को पार्लियामेंट के सामने इस चीज को पहले लाना चाहिये था फिर उसके बाद वह अपने हाथ में लेती।

श्रीमन्, मैं इस बात को जानता हूं कि स्टील हमारे लिए एक बहुत ही इम्पोर्टेंट चीज है और जिस का देश के उद्योगों के लिए, देश की प्रगति के लिए तथा निर्माण के लिए बहुत योगदान

[श्री नवल किशोर]

रहता है। वैसे भी देश के सर्वतोमुखी डेवलपमेंट के लिए स्टील का उत्पादन बहुत महत्व रखता है और यही कारण है कि इस इन्डस्ट्री के बारे में यह फैसला किया गया है कि जब भी इसका विस्तार किया जायेगा, वह पब्लिक सेक्टर में ही किया जायेगा।

1970-71 में, जहाँ तक मुझे याद है, स्टील की मांग 5.2 मिलियन टन की थी और सप्लाई 3.2 मिलियन टन थी। मुझे खुशी है कि आपने इसको टेक ओवर किया। मुझे इस बात की भी खुशी है कि इस एक-आध महीने में आपने कुछ इम्प्रूवमेंट भी किया चाहे उसका परसेन्टेज कितना ही कम क्यों न हो। लेकिन क्या यह बात सही नहीं है कि जो आपके अपने प्लान्ट्स की इन्स्टाल्ड कैपैसिटी है 69-70 में प्रोडक्शन उसके 49 परसेंट से भी कम था और जहाँ तक मेरी जानकारी है 65 परसेंट से ज्यादा किसी भी प्लान्ट का प्रोडक्शन नहीं रहा है। कुमारमंगलम् साहब बड़े प्रगतिशील आदमी हैं, स्टूडेंट जीवन से ही इनके विचार प्रगतिशील रहे हैं। आज वे सौभाग्य से स्टील इंडस्ट्री के मंत्री भी हैं। मैं जानना चाहता हूँ कि जब से वे आए हैं तब से स्टील का प्रोडक्शन कितना बढ़ा है और उसका मुनाफा कितना बढ़ा है या उसके घाटे कितने कम हो गए हैं? श्रीमन्, यदि आप देखें तो 1967-68 में 59 रुपये प्रति-टन लोहे की कीमत सरकार ने बढ़ाई थी, 70-71 में 75 रुपये टन सरकार ने बढ़ाई और अब जुलाई 72 में 50 रुपये फी टन बढ़ाई। चार सालों में 200 रुपये टन से ज्यादा कीमत बढ़ा दी गई है। इस बढ़ी हुई कीमत के बावजूद भी मैं जानना चाहता हूँ कि जो आपके घाटे हैं उनमें आपने कितनी कमी की है? मैं इसलिए इस बात पर जोर देता हूँ कि मैं उन आदमियों में से हूँ जो पब्लिक सेक्टर के सौ फीसदी हामी हैं, लेकिन पब्लिक सेक्टर के पक्ष में एक बुनियादी सिद्धान्त यह था कि पब्लिक सेक्टर की जो आमदनी है उसका पैसा किसी और की जेब में न जाकर सरकार के

खजाने में जाय ताकि सरकार उस पैसे को उसमें ही लगाए ताकि सेल्फ जैनेरेंटिंग इकौनोमी हमारे देश में स्थापित हो सके, लेकिन अगर पब्लिक सेक्टर घाटे में जाता है और उसकी वजह टैक्सेशन होता है गरीब जनता के ऊपर तो उस पब्लिक सेक्टर को कोई आदमी डिफेंड नहीं कर सकता। एक बात कही जा सकती है कि शुरु में हमें एक्सपीरिएन्स नहीं था, दिक्कतें थीं, आज तो आपके फाईट प्लान को 20-21 साल हो गए, इस समय आपके 4 प्लान्ट चल रहे हैं। मैं इस बात पर फिर जोर देता हूँ कि आपने टेक-ओवर किया, अच्छा किया और मेरी शुभकामनाएं कुमारमंगलम् साहब के साथ हैं, मगर आपको अपने कानों में यह बात साबित करनी पड़ेगी कि पब्लिक सेक्टर प्राइवेट सेक्टर से कहीं बेहतर है, केवल सेन्टीमेंट के ऊपर आप चाहें काम चल जाये तो वह सेन्टीमेंट के ऊपर चलेगा नहीं आपको उत्पादन, क्वालिटी, और मुनाफा बढ़ाकर दिखाना होगा। समाजवाद के माने यह है कि प्रोडक्शन बढ़ने के साथ-साथ जो कन्ज्यूमर्स हैं, जिनको लोहे की जरूरत पड़ती है उनको सस्ती कीमत पर वह मिल सके। आज देखिए सीमेंट का क्या भाव है लोहे का क्या भाव है। आज इमारतों की कीमत बढ़ती जाती है। जो चीज पहले 50 हजार में बनती थी वह आज सवा लाख, डेढ़ लाख और दो लाख रुपये में बन कर तैयार होती है। तो मैं चाहता हूँ कि आपकी स्टील पालिसी इतनी सजबूत हो, इतनी फर्म हो, कि उसकी क्वालिटी भी बड़े उत्पादन ज्यादा हो और घाटा भी कम होकर मुनाफा होने लगे। आप कीमत को बढ़ाते जाइए और फिर कहिये कि हमने कुछ घाटे कम कर दिए हैं तो मैं समझता हूँ कि उससे काम चलने वाला नहीं है।

इन्होंने एक बात कही। दो साल की बात कही कि दो साल के लिए क्यों लिया। एक प्वाइन्ट जो इन्होंने बताया वह बहुत वेलिड प्वाइन्ट मेरी समझ में आया कि हमको कम्पेनसेशन ज्यादा न देना पड़े, इसलिए कानूनी सलाहकारों की राय यह थी कि पहले थोड़े समय को हम लें।

अगर यह बात सही है तब मुझे आपत्ति नहीं है, मगर मुनासिब यही था कि आप सीधा इसका राष्ट्रीयकरण करते ।

SHRI DAHYABHAI V. PATEL: It is a fraud, throwing dust in the people's eyes.

श्री नवल किशोर : हमने तो कांस्टीट्यूशन में इस लिए एमेंडमेंट किया था कि लोगों को ज्यादा कम्पेन्सेशन देना न पड़े । इसमें एक बात और भी है । उस कम्पनी की कैपिटल 24 करोड़ रुपये है । 23 करोड़ तो वह अपने शेयर-होल्डर्स को डिविडेंट में दे चुकी है, तब इसका कम्पेन्सेशन यूं भी ज्यादा नहीं होता, मगर मुझे अफसोस है कि उस एमेंडमेंट के पास होने के बाद भी आपने इन्श्योरेंस कम्पनीज को 6 करोड़ रुपया कम्पेन्सेशन में ज्यादा दिया है या देने जा रहे हैं । तो सरकार एक तरफ यह बात दिखाती है कि हम एमेंडमेंट करेंगे कांस्टीट्यूशन का ताकि पूंजीपतियों के हाथ में ज्यादा कम्पेन्सेशन न जाय, मगर मेरी इन्फार्मेशन यह है कि उस एमेंडमेंट के बाद भी इन्श्योरेंस कम्पनियों को आपने 6 करोड़ रुपया बतौर कम्पेन्सेशन के ज्यादा दिया है । अगर यह बात सही नहीं है तो इसका माननीय मंत्री जी जवाब दे दें ।

श्रीमन्, दो तीन बातें इसमें और कहना चाहता हूँ । जहाँ तक इस विधेयक का सवाल है, उन्होंने बड़ी खूबसूरती से यह बताया कि वे आम-तौर से ज्यादा पावर्स लेते नहीं हैं, लेकिन वे यह चाहते हैं कि जो मार्टिन बॉन इसके मैनेजिंग एजेंट हैं उनका कंट्रोल या आधिपत्य इसके अन्दर न रहे, इसलिए उनको ये पावर्स लेनी पड़ी । मैं कुमार-मंगलम साहब का ध्यान सेक्शन 3, सब सेक्शन 4 की तरफ खींचना चाहता हूँ । सब-सेक्शन 4 में है :

'All persons in charge of the management, including persons holding offices as directors, managers or any other managerial personnel of the company immediately before the appointed day

इसमें डिप्टी मैनेजर, असिस्टेंट मैनेजर और सेक्रेटरी भी आयेंगे ।

" shall be deemed to have

vacated their offices as such on the appointed day".

इसके माने यह हुये कि इन्सो फैंक्टो उनकी सर्विसेज समाप्त हो गई । मुझे इसमें कोई आपत्ति नहीं है अगर आप की इन्फार्मेशन यह हो कि उन्होंने मिसमैनेजमेंट किया है या वे इंकम्पीटेंट हैं या वे निकम्मे हैं या उनकी इंटेलिजेंसी डाउटफुल है, इसलिए उनको निकाल दिया जाय । लेकिन इसका एक तरीका होता है । कुमारमंगलम साहब ने कहा था दूसरे हाउस में कि यह सब तो अक्वाइटेड डेट से खुद ही हो जायेगा, गवर्नमेंट ने इसमें क्या किया है । कितना इन्तोनसेंट जवाब दिया है, कितना भोला जवाब दिया है । आडिनेंस गवर्नमेंट का है और आडिनेंस के जरिये से आन दी अक्वाइटेड डेट सब की जगहें बैकट हो जायेंगी, सब अपनी जगह से छुट्टी पा जायेंगे । आखिर यह तमाशा क्यों हो रहा है । मुझे सिर्फ एक बात, कहनी है कि आपने इसको टेक ओवर किया अच्छी बात है, लेकिन किसी के साथ आप का ऐटिट्यूड विडिक्टिव नहीं होना चाहिये । जो लोग अच्छे हैं उनको आप वहाँ रखिये और जो अच्छे नहीं हैं उनको आप चाहे तो हटा दीजिये, मगर एक तरीके से, श्रीमन्, मुझे इस पर बहुत बड़ी आपत्ति है क्योंकि यह मुनासिब नहीं है

इसके बाद श्रीमन्, एक और सेक्शन है । सेक्शन 6 में यह है :

"Notwithstanding anything contained in any law for the time being in force, no person in respect of whom any contract of management or other arrangement is terminated by reason of the provisions contained in sub-section (3), of section 3 or who ceases to hold any office by reason of the provisions contained in sub-section (4) of that section, shall be entitled to claim any compensation for the premature termination of the contract of the management or other arrangement or for the loss of office".

दो पर मुझे कोई आपत्ति नहीं है । मिसमैनेजमेंट के वास्ते आप कम्पेन्सेशन न दीजिये, पर लास आफ आफिस के लिए भी आप कोई कम्पेन्सेशन न दें यह मेरी समझ में नहीं आया । सेए लॉग

[श्री नवल किशोर]

जिनको आप आफिस से हटायें और जिन के विरुद्ध कोई चार्जशीट न हो, उनको भी आप कोई कम्पेन्सेशन न दें, यह बात मेरी समझ में नहीं आती।

श्रीमन्, इसके बाद एक बात और है। सेक्शन 9, सब-सेक्शन 2 में यह है :

"(2) No court shall take cognizance of an offence punishable under this section except with the previous sanction of the Central Government or of an officer authorised by the Central Government in this behalf".

मैं एक बात यह नहीं समझा कि कोर्ट से आपको क्यों इस कदर चिढ़ है। कुमारमंगलम साहब, आप की तमाम जिन्दगी कोर्ट में बीती है। मुश्किल से दो साल से आप यहाँ पर हैं। फिर भी कोर्ट के प्रति अविश्वास की भावना पता नहीं आपके दिमाग में क्यों है... (व्यवधान)... जब बड़े बड़े काबिल आपके पास एडवाइजर हैं, ला डिपार्टमेंट है, ला कमिशन है, तब भी न जाने क्यों आपको इस बात का विश्वास नहीं है कि आप का कानून ऐसा होगा जो कानूनी दृष्टि से, जो सोशल जस्टिस की दृष्टि से कोर्ट के अन्दर खड़ा हो सकेगा !

मैं समझता हूँ कि इस तरह से कोर्ट के खिलाफ जो डिस्ट्रेस है यह कोई बहुत डेमो-क्रेटिक बात नहीं है :

एक बात और कहना चाहता हूँ। सेक्शन 13(2) में लिखा है कि :

"No suit or other legal proceeding shall lie against the Central Government or the Custodian or any of the officers or other employees of the Central Government or the company for any damage caused or likely to be caused by anything which is in good faith done or intended to be done under this Act".

मैं इस से कतई इत्फाक करता हूँ कि जो काम इंड फेथ में हो उसके ऊपर कोर्ट में कोई केस नहीं होना चाहिए। यही चीज जो ओल्ड इंप्लाइज हैं

इस कंपनी के, उन के साथ भी रख दें, तो मुझ को लगता है कि जो डिस्ट्रिक्मिनेशन हुआ है वह नहीं होगा।

अब मैं दो तीन बातें कह कर अपनी बात खत्म कर रहा हूँ। एक बात तो यह है कि एक तरफ तो आपने यह कहा कि सब की सर्विसेज समाप्त हो जायेंगी। दूसरी तरफ मेरी इंफार्मेशन यह है कि कुछ लोगों को अभी भी आपने रखा है। यह उचित नहीं है कि मैं किसी का नाम लूँ, लेकिन जैसे मिस्टर दत्ता हैं, उन को तो आपने प्रमोशन दे दिया है।

SHRI S. MOHAN KUMARAMAN-GALAM: I would request the hon. member not to drag in individual names in this. He may mention officer in general. May I request that this name need not be recorded? It is not fair to the persons concerned to record their names.

श्री नवल किशोर : श्रीमन्, मैं यह कह रहा था, कि कुछ आफिसर्स ऐसे हैं जिनको आपने रखा है। जो हाई आफिसर्स थे और जिनको आपने प्रमोशन दिया है। अगर मिसमैनेजमेंट की जिम्मेदारी किसी पर आ सकती है, तो उसकी जिम्मेदारी मैनेजिंग डायरेक्टर पर या जो नीचे का अफसर था, उस पर आयेगी। अगर उसी को आप प्रमोशन देते हैं और दूसरों को आप निकालते हैं, तो यह जस्टिस की बात नहीं होगी। और इससे साबित होता है कि आप के अंदर विकिडिटवनेस की भावना है।

SHRI S. MOHAN KUMARAMAN-GALAM: On a point of order. He mentioned individuals because the Managing Director is a particular person. The hon. Member may refer in general to officers if he wishes. But may I request that 'individuals' names should not be dragged in?

THE VICE-CHAIRMAN (SHRI V. B. RAJU): Yes. individual names should not be mentioned.

श्री नवल किशोर : मैं नाम लेना नहीं चाहता मगर मैं एक बात साफ कहना चाहता हूँ कि आप की जो यह पालिसी है कि आप मैनेजमेंट

को पाटी लाइन्स पर चलाना चाहते हैं, तो मेरा कहना यह है कि इस के अन्दर आपको सिवाय फस्ट्रेण के और कुछ नहीं मिलेगा। अभी एक साहब को आप ने जनरल मैनेजर बनाया हिन्दुस्तान स्टील लिमिटेड में, मैं उन का नाम नहीं लेता, लेकिन मेरी इत्तला यह है कि वह साहब 1942 में स्टूडेंट मूवमेंट में थे और सी पी आई के एक मम्बर थे उस समय उन्होंने भारत छोड़ो आंदोलन का विरोध किया था। उन से क्या हमदर्दी है आप को मैं नहीं जानता। टाटा कन्सर्न में तेल से, लुब्रिकेंट्स से उन का संबंध था, और उसी संकशन में वे काम करते थे। लेकिन स्टील से उन का क्या संबंध है जो उन को आप ने वहां बैठा दिया। यही नहीं, जितने कारपोरेशनस आप के हैं चाहे वह कोटन का हो या फूड का, उन को यह जो पार्टी लाइन्स पर आप मैनेज करना चाहते हैं, वह ठीक नहीं है, मुझे को इस में आपत्ति नहीं कि उस में पालिटिशियन्स जायं, आई हैव नो आब्जेक्शन, लेकिन उन के सेलेक्शन की कोई न कोई मेरिट तो होनी ही चाहिए। केवल चुनाव में हारना कोई बेसिस नहीं होना चाहिए।

श्रीमन्, मैं अब दो, तीन सुझाव देना चाहता हूं। स्टील में आप का प्रोडक्शन बढ़े यह तो ठीक ही होगा लेकिन आप का डिस्ट्रीब्यूशन भी उतना ही डिफेक्टिव है। आप जो कीमत 900 रुपये चार्ज करते हैं फी टन की वह मार्केट में 1800 रुपये टन में बिकता है। मैं चाहता हूं कि इस तरफ भी आप को ध्यान देना चाहिए और देखना चाहिए कि यह सब क्यों और कैसे होता है।

श्रीमन्, एक बात और आप का जो पब्लिक सेक्टर है उस में आप का एडमिनिस्ट्रेशन टाप हैवी हो जाता है। एडमिनिस्ट्रेटिव एक्सपेंसेज इतने ज्यादा बढ़ जाते हैं कि कोई हिसाब नहीं तो मेहरबानी कर के इस की तरफ भी आप ध्यान दें।

श्रीमन्, इस कारखाने में काफी कांट्रैक्ट लेबर है जिसके कारण भी मशीनें खराब होती हैं। मैं चाहता हूं कि यह जो सिस्टम है उस को आप खत्म

करें और कोशिश करें कि वह लेबर धीरे धीरे परमानेंट हो जाय।

मैं चाहता हूं कि आप मैनेजमेंट के लिये जो एडवाजरी बोर्ड बनाने जा रहे हैं वह बिल्कुल आप की च्वायस पर रखा गया है। इस में जो आदमी भी आप चाहें बना सकते हैं। बोर्ड आफ डाइरेक्टर्स में या शेयरहोल्डर्स में, अगर आप की समझ में कुछ ऐसे लोग हैं जिन्होंने कुछ कांट्रीब्यूशन किया है कारखाने की उन्नति में यह कर सकते हैं तब आप उन को भी लें उस सब को सिर्फ इस बात के ऊपर हटा देना या निकाल देना कि वह सभी काबिल नहीं हैं, मैं समझता हूं कि यह बात मुनासिब नहीं होगी।

3 P.M.

श्रीमन्, आखीर में एक बात कह कर मैं अपनी बात को खत्म करता हूं। आपका बहुत दिनों से यह इरादा था कि वर्कर्स पार्टिसिपेशन हो, तो पब्लिक सेक्टर में आपने कहां कहां शुरू किया है इसका तो हमें ज्ञान हुआ नहीं है लेकिन जब कि आपने यह फैक्ट्री ली है, तो इसका एक्सपेरिमेंट वहां करके आपको देखना चाहिये। मैंने सुना है कि यहां के वर्कर्स के वेजेज बहुत कम हैं। आपने कहा कि ओवरटाइम बहुत ज्यादा मिलता है, वैसा भी होगा, लेकिन मैंने सुना है कि वेजेज बहुत कम हैं तो आप उनके वेजेज को भी देखें और इस सेक्टर के मैनेजमेंट में डेमोक्रेटाइजेशन करने के लिये लेबर के पार्टिसिपेशन की बात भी सोचें।

श्रीमन्, इन चन्द सुझावों के साथ मैं इसका समर्थन करता हूं।

DR. R. K. CHAKRABARTI (West Bengal): Sir, I wholeheartedly support this Bill. I sincerely hope that all the manufacturing of steel and all the coal-mines in the country which are vitally important for the industrial developments should be gradually taken over under the control of the Government and also the distribution be made through Government agencies. Here I would like to digress a little bit from the scope of the Bill and speak on something else. Now, we often hear a complaint about the public sector projects

[Dr. R. K. Chakrabarti.] which are incurring losses every year and with that argument the honourable Member" has asked the Government not to take over or nationalise any plant. While criticising the public sector projects in that manner we should keep in our mind and try to see the basic reasons for such losses. I would like to request the honourable Members of this House to go and visit the jute mill areas on both sides of the river Hooghly and see the conditions in which the workers are living there. They have very little sanitation arrangement and practically no social amenities. Had the public sector projects in Durgapur or Rourkela been run in this manner, surely they could have shown a considerable improvement in their balance-sheet. I do not think we would like to see our working people or our employees live in the wretched conditions in which the workers in the jute mill areas or the tea gardens are living. Here I would like to quote a few lines from the report of the HSL for 1970-71.

"The Government has already taken a decision that the total outlay on townships and their ancillary facilities incurred and to be incurred by the public undertakings would be met fully from equity capital".

Again in Schedule 14, page 96, we find under the heading 'Social Amenities' that the net deficit on this account for these items during 1969-70 ran to Rs. 9 crores and during 1970-71 to Rs. 10 crores. Now, there are many reasons for this loss. For example, a plant which is supposed to come out or produce 10 lakh tons of finished products, it is now producing only 1 lakh tons. And how do you expect that the plant is going to make profit this way? There are many reasons for this poor performance, and if I go on dwelling on all those points, it will take a long time. But I will mention only a few. I will start with an analogy. A student or a disciple cannot learn or work under a guru unless he is sure in his heart a guru has a superior knowledge compared to his own knowledge. Similarly a worker or a supervisor or an engineering personnel is not going to put his

best effort unless he is sure that his superior, his immediate boss, has a superior knowledge or a better knowledge than he has. He will always try to fool his superior or his boss unless he is sure that his superior, his immediate boss, is a superior man so far as knowledge is concerned. Our promotional system is a pyramidal system, it is a pyramidal structure. For a man who is climbing a pyramidal structure to come up to a superior cadre he must be really superior in his knowledge as compared to his juniors; he must imbibe inspiration; he must have the actual knowledge of the machineries and which part works how and how it is handled, so that he can control his workers or engineers immediately under him. Secondly, about the plant machinery. They do not come with infinite life nor do they sustain the maximum capacity of production for an infinite time. Gradually they become old and worn out. You take the example of two workers working side by side on two similar machines manufacturing or producing screws.

One machine has been purchased yesterday. The other one was purchased ten years ago. The one which is new will be producing 100 screws per day and out of these there may be no rejection. The other machine which is ten years old may produce only 80 screws out of which 20 may be rejected. If you give production bonus to the workers on the basis of performance it will result in injustice to the workers employed on the old machine. What I am trying to emphasise is this: There must be a team of experts who should go round the plants periodically and check up the performance of each machine and put up a notice saying that the rated capacity of such and such machine at a particular point of time is this much. Similarly when a break-even point is reached below which production is not profitable, the machine has to be replaced. If you look at the private sector, what are they doing? They have the depreciation fund and the replacement fund. But instead of modernising the plant and instead of replacing it, they are trying to invest this money and their profit elsewhere in other industries or trying to put it in

the share market or other essential commodities which will yield quick and huge profit. We cannot do it in the public sector. This kind of thing should not be allowed to go on indefinitely,

My *next* point is power shortage I am not discussing the power problem all over the country. I am taking only two instances, the DVC and the Durgapur Thermal Power Plant. In the DVC during summer months there may not be sufficient water available. But what about Durgapur Thermal power plant? We have three boilers. I was shocked to learn the other day that there is a boiler inspectorate or directorate in West Bengal Government. But the boiler inspectors are not allowed to inspect the boilers in the thermal power station in Durgapur. It has been taken out of the purview of the inspectorate. Every year the boiler must be inspected by the boiler inspector who will issue a fitness certificate. Unless the tubes are cleaned and cracks are repaired, how can the boilers be run in an efficient manner? I hear that out of the three boilers two are completely out of commission because of negligence of main, tenance. These are the points which are to be checked up and looked into by the boiler inspector and rectified.

Coming to IISCO, we have heard the Hon. Minister's statement that the production has come down from 10 lakh tonnes in 1963-64 to 6 lakh tonnes and it was going down further. Shri Nawal Kishore raised a point about issuing the Ordinance and asked why the Government could not wait for the session to start. The character of the private sector people is such that if we delay, in the meantime they will sell part of the machines . . .

SHRI NAWAL KISHORE: I asked: why did you wait for three months?

DR. R. K. CHAKRABARTI: I am speaking of the Ordinance. Sometimes it is a necessary evil and it avoids further deterioration...

SHRI NAWAL KISHORE: Not in this arbitrary manner.

• DR. R. K. CHAKRABARTI: While supporting this Bill, I will urge upon the Government to seriously consider taking over the whole of jute trade along with jute mills, the whole of the tea industry and all the coal mines in the country. That will go a long way to change the face of this country and people will at least find a meaning of remove poverty programme.

SHRI D. THENGARI (Uttar Pradesh): Sir, while I welcome this Bill. I really wonder why the Government had not taken serious cognisance of our suggestion earlier that the system of efficiency appraisal should be introduced in all important industries, because now our Minister has been constrained to say that the period of two years has been fixed because they have no correct assessment so far about the conditions obtaining in the plant and only after two years they would be in a position to say whether it would be profitable to take over the plant permanently or not.

SHRI S. MOHAN KUMAR-MANGALAM: Sir, on a point of explanation. I have never said that. The honourable Member may appreciate what I have said. I have said that within two years we shall try to come to a conclusion of these matters. I did not say that it will take us two years.

SHRI D. THENGARI: It may be within two years- Still that means that today, when we are introducing this Bill, we are not in a position to have any correct assessment of the position. Now, had there been the system of efficiency appraisal, probably number one, this contingency would not have arisen and number two, we would not have taken such a long time to have a correct assessment of the position. Therefore, I should like to insist that at least now, in all important industries, the Government should make it a point to introduce the efficiency audit system that I have suggested.

Secondly, Sir, taking over the management is all right. But, Sir,

[Shri D. Thengari.]

will it make any substantial difference? That is the point. We are not concerned with the doctrinaire or ideological approach and such other things. What we want is the results. So, will this process give us the results or will there be only a difference as between tweedledum and tweedledee? That is the point to be considered.

Then, Sir, so far as our experience with regard to nationalisation is concerned, it has not been happy so far. We had put forth our suggestion earlier that for the management of the public undertakings, a new profession of public administrators should be created and it should be given a statutory status and the public undertakings should be entrusted to persons from that particular profession. I think that the time is ripe for giving a serious thought to this suggestion, particularly in view of the fact that even the experienced managers in our country have come to the conclusion that it will not be profitable for us just to imitate the management techniques of the foreign countries, but we will have to adopt them keeping in view our requirements, we will have to adopt those which are in keeping with our needs, rather than adopt them *in toto*. Therefore, Sir, for the evolution of the science of management and for the management of the public undertakings in particular, I suggest that our proposal for raising a new class of public administrators should be seriously considered and implemented.

SHRI BALACHANDRA MENON: It means you select people from outside and post them there?

SHRI D. THENGARI: Yes.

Then, Sir, about certain apprehensions that are there, the Government should come out with an unequivocal assurance that the service conditions, pay scales, seniority and other things of the workers will not be adversely affected under any pretext after this take-over. That categorical assurance should come forth from the Government.

Then, Sir, what would be the pattern of management? Because, Sir, we are not having such public administrators' profession now. So, what would be the pattern of management? So far, it has been only bureaucratisation. Are we going to introduce the system of workers' participation in management, because the Advisory Boards as mentioned in this Bill do not serve the purpose of workers' participation? So, Sir, workers' participation must be ensured. It is not sufficient if some trade union leader is appointed as the chief of a particular plant—I have got great regards for my friend, Shri Tulpule and I wish him all success. I know he is a competent person both as a manager and also as a trade union leader. But, at the same time, such appointments cannot be considered as full-fledged workers' participation in the management. Workers in the plant should be given the opportunity to participate in the decision-making process of the management.

Now, Sir, we are confronted with some peculiar problems. It is said that if industries are left in the private hands there is no efficiency appraisal and it would lead to mismanagement and the industry will go down. On the other hand, it is also said that if the Government takes over industry after industry, our country being a poor country, we cannot afford to do so since it will involve too many financial difficulties. Therefore, Sir, the economists have suggested that some *modus operandi* must be devised to encourage and mobilise small savings and to channelise them into industrial investments. I think, Sir, some serious and basic thinking on this point is necessary for the sake of the health of our national economy.

We will have to find out some way to bifurcate the process of investment from the automatic right to ownership. I should like to suggest that instead of big financial corporations that we are having now, we should have financial institutions industry-wise, meant for specific industries. They should be asked to

encourage small savings, to mobilise small savings and channelise them for investments for particular industries. The small investors should be assured of a fair, minimum rate of interest, without being given the direct right to ownership. Their sentiments or their patriotic emotions should be appealed to, so that whatever small savings they have they should invest through these financial institutions in particular industries for the development of the nation. Some such process we will have to evolve. I do not say that I can give out a complete blueprint. But some process which will encourage to mobilise and channelise small savings into industrial investments, and bifurcate the process of industrial investments from the automatic right to ownership, will have to be evolved. And this is also the time for making such an experiment.

Then, another thing, Sir, is the remuneration of various members of the Advisory Board or the Custodian* Of course, all the remunerations are to be fixed. I should like to say that in fixing the remuneration of the Custodian or whoever may be the top-most official of the concern, there should be a ratio between the minimum salary or the lowest salary and the maximum or the highest salary within the industry. I should like to suggest that this should be the ratio of 1 : 10.

With these few remarks, I welcome the Bill.

THE VICE-CHAIRMAN (SHRI V. B. RAJU): Shri Bipinpal Das.

SHRI BIPINPAL DAS (Assam): Mr. Vice-Chairman, Sir, I whole-heartedly welcome this measure. And I would take this opportunity to particularly congratulate our Steel Minister for the way he is proceeding in his Ministry. During his time we have seen some amount of progress not only in the field of management of the steel industry or the mining industry but also in the matter of making progress towards nationalisation. He has also to be congratulated for making some very good experiments, one of which is the

appointment of a trade union leader, Shri Bagaram Talpule, as the General Manager of a steel plant, who is an old friend of mine. This is not because he is my friend, but this is because it is a new experiment. I hope he will succeed in this experiment. In addition to the taking over of copper or coking coal or IISCO, we are expecting some more things from Mr. Kumaramangalam. And I am very glad that he is actually going ahead with courage and determination, and I am sure the results will be there—

Now, Sir, so far as IISCO is concerned, I need not go into those things which have been explained in detail by the hon. Minister as to why it had to be taken over. The most strange thing that happened in IISCO was that when the production was falling the profit was rising. I do not know how this could be explained. Anyway, I am not going into that also. But since the takeover, IISCO has shown quite a good amount of progress. For example, before the take-over, from the 1st of July to the 15th of July, they produced only 6409 tonnes of steel, after the take-over from 15th of July to 31st July the production went up to 10,490 tonnes.

And then from 1st August to 15th August it went up to 11,994 tonnes and this shows that after taking over the management the Ministry has taken enough care to prove that some progress has been made. That is in the case of saleable steel. In the case of ingot steel also, in the whole of July of total production was 23,789 tonnes, but within twenty days in August it has gone up to 23,984 tonnes. In both the cases we have seen sufficient progress after the takeover.

The Minister has taken pains to explain why it has been taken over only for two years. He has explained from the constitutional point of view: he has also pointed out the financial implications in this matter —I quite understand. He has also said categorically—I am very glad: I congratulate him for that—that

[Shri Bipinpal Das].

there is no question of handing over the industry back to private hands. This he has made very clear today in this House. It is very good. On the question why <we have to wait for two years he said that we will have to examine the situation, the financial position and all that and then we have to decide in what form this industry has to be managed. But I would like to know what precisely is there in his mind. Is he not thinking of completely nationalising the entire industry or is he thinking of joint sector? These are the only possibilities that I can see between which he will have to choose- If he does not hand over this industry to private hands he! will have to choose between the joint sector and the public sector. I am not against the joint sector! as an intermediary stage towards socialisation. I am not against that principle. I can very well see that perhaps in our country we may have to pass through a phase of joint sector before complete socialisation is there. But in the matter of steel particularly, it is the most basic of all the basic industries. In the world today the prosperity of a country is measured by the amount of steel it produces. It is a basic industry, the most basic. Therefore, in the case of steel particularly, I will not support any idea of a joint sector. I would straightway say that not only, IISCO but also TISCO—the entire steel industry—must be under the public sector. That is my submission.

Now, regarding workers' participation, some other members have already said very clearly that nationalisation or takeover of the management means nothing unless the workers are allowed to participate in the board of management, the board of directors. The workers' representatives must be there on the board of management, the board of directors. I would suggest that the workers' representatives may be there also in other committees at lower levels. I think the Minister explained in the other

House that the difficulty is that there are so many trade unions and they have not been able to come to an agreement on the mode of selection or election of the workers' representatives to the board of directors. But I do not see any difficulty. Straightaway there can be election by free ballot and secret ballot from the entire working class—all the workers in the industry. Let all the workers in the industry go through free ballot and secret ballot and elect representatives to the board of directors. What is the difficulty? Let us not worry about the unions, which union has how many members and all that. If this principle is accepted I think it will solve the problem- I would request the Steel Minister and through him the Labour Minister not to delay this question too much by holding too many conferences. Let us give this right to the workers. Forget the unions. The workers should have the right to elect their representatives to the board of management or board of directors. This is my answer to this difficulty which I am told the Government is facing in this regard.

Regarding management personnel in this particular case, I hope it is temporary. The Deputy General Manager (Production) has been promoted as General Manager and the Chief Accountant has been made the Financial Controller. But I hope these are all temporary and when Government will takeover completely they will evolve some procedure. In this connection I would like to say that the basic reason why the public sector is not yielding the results according to our expectations — the basic reason according to my opinion—is wrong selection of management personnel.

Who are the persons selected to manage these industries? You will certainly not give me time to analyse the whole thing one by one. My suggestion is that there should be two criteria for the selection of managers, those who will manage the public sector industries. Firstly the person must have faith in the

philosophy of the public sector. He must have faith in the public sector. He must not be here in the public sector and work for the private sector sabotaging the whole thing. Secondly, he must be trained in the art and science of managing industries. IAS officers or retired Army Officers, I do not think, will succeed in this matter. These two criteria must be satisfied for building up a new cadre of personnel for the management of the public sector industries. This is my humble suggestion so far as management is concerned.

Now, even today we export, if I am not wrong, 21 million tonnes of iron ore and we import nearly 2 million tonnes of steel. If out of these 21 million tonnes of iron ore that we export we can produce steel here it will come to about 9 million tonnes or so- What steps are we taking to expand the production of steel? I know Bokaro is coming up. I would just make a small point in this connection. If installation of a new plant is going to be a costly affair for a country like ours, why should we not put greater emphasis on expansion of the existing plants? Firstly we should aim at full utilisation of the capacity and secondly we should go in for expansion. And when I say expansion I have in mind the earlier suggestion that I made that the entire steel industry must be nationalised. No steel plant should be left in the hands of the private industry; I do not agree even to the joint sector in this particular field. If the entire steel industry is nationalised, then we should see that the full capacity is utilised and then we should go in for expansion and if that is done I think the cost of producing the required quantity of steel for the country will be minimised to a great extent.

With these words I congratulate once again the hon. Minister for going ahead with courage. In this particular Department we have already seen what he is doing and what experiments he is making. I want him to go a little faster, have more courage and carry the whole Government with him in this parti-

cular field so that we can have a quicker march towards socialism-Thank you.

SHRI K. A. KRISHNASWAMY (Tamil Nadu): Mr. Vice-Chairman, Sir, this Bill moved by the Steel Minister Mr. Mohan Kumaramanga-lam. is a timely and welcome measure. Though it is a belated measure, the laudable object underlying the move has to be appreciated by one and all.

It is not out of place to mention the fact that only after our respectful Steel Minister, the hon. Mr. Mohan Kumaramangalam, took over the stewardship of the Ministry of Steel and Mines both the coking coal industry and the copper industry were taken over by the Government of India. Following these Drogressive measures I hope this welcome step is also being taken by the Steel Ministry led by the hon. Minister, Mr. Kumaramangalam.

There cannot be two opinions to the fact that the take over of the Indian Iron and Steel Company by the Government of India has pre-empted the danger, of closure, as a result of continuous uneconomic operation and conflict with labour.

Sir, it is an undisputed fact that there has been a steady fall in the production of steel from 1965 on-wards in the Indian Iron and Steel Company.

It seems that the management of the Indian Iron had been unable to halt the steady fall in production prospects. There has also been no recognition on their part of the urgency of implementing the scheme for the modernisation of the company' and its expansion. Accordingly the Government has decided to take over the management of the undertaking to eliminate the hurdles to increased production and to secure the proper management of the Indian Iron and Steel Company to subserve the good, in the context of the steel requirement of the country. Therefore, Sir, the ostensible reasons given for the take-over of the Indian

Lbhn K. A. Krishnaswamy.J

Iron and Steel Company management are the neglect of maintenance over quite a long period, non-replacement of equipment, lack of modernisation and last, but not least, the disturbed industrial relations.

Sir, the Government has introduced a change in the managerial structure through this Bill. But the pertinent question arises whether the proposed move of the Government would bring the desired effect for which the Bill is moved by the *hon.* Minister and further, whether the Government will be able to fulfil the objectives of the dramatic take over.

Sir, the Indian Iron and Steel Company has been in dire trouble since 1965 and the decline in output was a matter of national concern. But I wonder, Sir, whether a change in the management of the Indian Iron alone is the answer to its plurality of ills. That can be used as a panacea but cannot be a permanent remedy to the ills of this organisation. The IISCO's real problem is not merely inefficient management, poor maintenance of plant, conflicts among officials, disturbed industrial relations, but general indifference to the basic problems both by the Government of India and the erstwhile management alike. That is why the Government of India and the new holding company should be able to cure the basic ills surrounding the Indian Iron.

The next point that I would like to put forth is that of the takeover¹ of the Indian Iron for a period of two years. The *hon.* Steel Minister, while moving the Bill a few minutes back, has explained this aspect. I beg to submit, Sir, that the explanation given by the Minister has still not cleared the doubts and apprehensions agitating the minds of the common people in the country. There still exists a reasonable apprehension that after two years—the stipulated period—the management of the Company would probably be given back to the erstwhile management. These doubts have been

I strengthened by the simple fact that the officials of the Company who were responsible for the management and fall in production continue even after the takeover of the Company. So, Sir, I request the *hon.* Steel Minister to dispel all these doubts and apprehensions, and the Government of India should themselves come forward to nationalise the Indian Iron and Steel Company and thereby pave the way for socialism so that steel, which is indispensable for the country's industrial growth, may not be the hunting place for exploitation by the vested interests.

With these words, Sir, I support the Bill. Thank you.

SHRI N. JOSEPH (Andhra Pradesh):
Mr. Vice-Chairman, Sir, I support the Bill, and in justification of the takeover of the Company I give my reasons. The *hon.* Minister has clearly explained the reasons for taking over the management of the Indian Iron and Steel Company Limited for a period of two years. The main reason for coming to this conclusion is the deterioration in the production of this material. For successful production the Company requires some raw materials like coke, etc. which are coming from the private companies. In addition, the adjustment between the workers and the management involves incentives for production. So, for all this, as the company in question is a private concern, the main motive shall be profit motive, not the nation's interests. So, Sir, when we consider the importance of this metal to the development of the country we say that it is the most essential material for the nation as a whole.

Regarding compensation, it is not desirable, as the Company has enjoyed profit for a sufficiently long time and for the reason that the Government is running into heavy debts by financing the monopolists. Regarding the period I say that the reason for which the Government came to the conclusion to take over the Company is sufficient to take it over immediately and no more time

is necessary for coming to a final conclusion.

Iron and steel is the most essential and useful commodity for the development of any country. It is not only a necessary material for public concerns, but also to the people as well. It is a necessary material for the people at large. It is necessary for the manufacture of agricultural implements which are, first and foremost, necessary for food production. It is necessary for vehicles of transport of all categories. This metal is necessary for the day-to-day use of the people in the shape of axes, knives and utensils. Such is the vast field for this metal in the conduct of the normal life of a man. So much of skilled labour and machinery are necessary for the preparation of this useful metal from the ores. The process of preparing the metal consumes energy. So, it should be in the hands of an efficient and careful machinery. It is a complicated process to produce this metal. Hence it is necessary to place it in the hands of a proper administration. When I say that it should be placed in the hands of the public sector, so many people come forward and say that the public sector concerns suffer from corruption, black-marketing and maladministration-I appeal to the Minister to take note of this criticism and see that the public sector concern is run in such a way that there is no such criticism hereafter. If we place it in the hands of a public concern, there is every possibility of Members of Parliament and the public condemning the way in which it functions, if it is not run properly. That is why we are able to condemn the corrupt attitude of the Chairman and officers of the Food Corporation. Thus there is every possibility of putting it in order. In the case of a private concern, the manager or director has the will and pleasure to do whatever he likes. Our authority over such a private concern is very much limited. I support the Bill and I support the takeover of the Indian Iron and Steel Company from private management. I also appeal to the Minister to prove that the public

concern is run more efficiently than while it was in the private sector. There is a possibility to put it in order. When we found that the Super Bazar was not functioning efficiently, Members of Parliament and the public came forward to criticise the administration of Super Bazar to see that it was put in order. If it was in the hands of a private concern, it would not be possible to condemn it. The only way open to see that some action is taken is by obeying the laws given by the Government. Coming to starvation deaths, in spite of sufficient food being available, we find that blackmarketing and inflation are taking place because of negligence of the administration. I, therefore, appeal to the hon. Minister to take a stiff attitude towards the administration and then think of taking any private concern into the hands of the public sector. I appeal to the Minister once again to see that we do not come under criticism hereafter by taking over a private concern and putting it in the hands of a public concern. With these suggestions, I thank you.

SHRI BALACHANDRA MENON (Kerala): Sir, I am happy to welcome this Bill. I am also happy that those who spoke from here felt there is the necessity for Government to take over the management of this company which has been so grossly mismanaged for the last so many years. Anyhow it is good that we have now an example of how the private industry has been running, what it has been doing, and naturally most of us have now begun feeling that the private industry is not able to deliver the goods at least regarding certain very important industries- I agree with friends who have spoken that such a basic industry as steel should come into the public sector. It is not a question of management alone. It is not a question of who should control it. In this matter I feel the time has come and therefore taking over for two years, because of legal difficulties should not be the only factor. You should have straightway gone into it because steel should come in the

[Shri Balachandra Menem.] public sector. I think there must be a definite time-limit to make use of this . . .

SHRI BABUBHAI M. CHINAI (Maharashtra): It may be tomorrow also.

SHRI MAHAVIR TYAGI (Uttar Pradesh): It can be further extended.

SHRI BALACHANDRA MENON: It is not a question of extending. It is a question of who should control the basic industry. I am not for nationalising all sorts of industries. I want to make that also very clear, because there I feel that we do not have the managerial capacity. We have not been able to do properly even with the heavy industries which we have taken up, the important industries we have taken up. The bureaucratic set-up on this side and the mismanagement in the private sector—this is what we are having. Now how to get out of it is the question. The worst is the private management. Slightly better is the public management, because there can be criticism and correction. The Ministers have to answer. the officers have to answer . . .

THE VICE-CHAIRMAN (SHRI V. B. RAJU): You address the Chair. You are not to address Mr. Chinai.

SHRI BALACHANDRA MENON: So, that is why I said I am happy. After some years you may hand it over to a joint sector, as somebody has suggested. And that is what I fear. There are a lot of slogans now raised by the ruling party. Most of the slogans are not for implementation but for people to hear. A little honest doing is much better than much of this talk. At least you start somewhere. Here at least it takes us somewhere in this steel industry. To say we will nationalise this; we will run this, we will run that, all this is mere, empty talk. Something important has to be done. Here you must have the right persons. Do we have it? The management was spending about Rs. 7,000 for the General Manager, in the other steel

mills you do not have so much. The workers' condition is much worse in IISCO. This is how it was run. Though the legislation says the Government has got a right . . .

SHRI MAHAVIR TYAGI: Same scale of emoluments.

SHRI BALACHANDRA MENON: That is another thing. Whether it is the same scale or much less, one thing is certain, the same management cadre is allowed to continue except the General Manager. One thing, if they are not prepared to come over and accept the salary scales of the other public sector steel mills, they have to go. It is much better also that they go. Those who have been responsible for mismanagement should go. If people have proved inefficient, they should not be allowed to continue. Not that I want to victimise anyone. It is a question of the person's efficiency whether in the public sector or the private sector. There is no question of saving any individual officer. If the manager in the public sector industries fails to deliver the goods, there is no question of his coming back again as Secretary in Government service. He must go.

Some test will have to be made. That has not been done. So, while welcoming this Bill. I have only to say that I am happy that you have taken it over. But I am not sure whether you will take it over completely. I do not believe in it because Government's policy can change also. Ministers may come and may go. Some Minister may make some statement and the successor Minister need not accept it. This is not the way of doing it. You say that after two years we will consider. Our position we have made very clear. The Bill speaks only of taking over for a certain period, two years. These things should have been done before. After the abolition of the managing agency system, Martin Burns were made secretaries of the company. They have been making a good deal of money also. I want to know whether their services will be terminated or not. It will have to be seen that their services are terminated.

Lastly, I would say about the workers' participation. This is something about which I have not been very clear. I have been demanding and insisting upon it—how far it has succeeded, I do not know. You will have to make a very bold attempt about the participation of workers in policy making. Actually the worker at the floor level has to be associated. How are we going to enthuse him? How can we make him feel that he is now called upon to shoulder this heavy responsibility of producing much more steel so that he gets his wages increasingly plus his incentives too? He will also be able to suggest what further bottlenecks are there and you may be able to get rid of them. That question will come only you have faith in them. How far have you done this thing? Can this bureaucratic management inspire the worker? Can they sit along with the worker on the floor instead of on the chair discussing things with them? They have not done so because it is a bureaucratic set-up which we have built up. The middle class officers, most of them, have not come from the ranks. It is their attitude towards the worker that does not enthuse him or inspire him. So, build up a new cadre now from down below itself while you are working the mills with the idea of entrusting the entire leadership to them within a period of three or four years. It is an attempt which should be made by the Government. A new type of leadership has to be created. And the youngmen who will work should be from the floor to the top, within the four or five years, such new leadership, who will live with the workers and who will understand them better will revolutionise the entire management. You should be able to do it. Will the Government encourage such people? Will the officers dare do it? I think you must be in a position to help in building a new cadre which is the basic necessity and which will take charge of the undertaking also—I wish that the Minister succeeds because I want him to succeed not because he is Mr. Kumaramangalam. but because he is in charge of our

steel industry. I want him to succeed also because he is Mr. Kumaramangalam, whom I know very well.

SHRI DAHYABHAI V. PATEL (Gujarat): Sir, as stated by some of the previous speakers, the steel industry is a very important industry for the nation. In peace time it is necessary for the industry, in war time it is necessary for the defence. Somebody mentioned all sorts of things that are made out of steel. He only forgot pins and needles. It is not important to mention them, to drag you into the list of what steel does. But steel is certainly very important for the country for its development and its progress about which there can be no doubt.

What is the state of our own country's steel industry? This House elected me to the Public Undertakings Committee for the previous two years. The story of our steel industry in the public sector, I must say, is a very sad story, whether it is the manufacture of steel or the allied industries along with it. Is there anything in this Bill that is before us to remedy all this? I am afraid I do not see it. If this sort of nationalising and not nationalising, taking away one part of it and not taking away the other part of it is a remedy, I am afraid I do not agree. If you want to take away the Indian Iron and Steel Company, take it in the most straight manner. If you have decided that it is your policy to nationalise it, do so openly, not deluding the country by saying that we believe in a free enterprise and we also believe in nationalisation, that we believe in joint sector. What sector do you believe in? I do not understand the way in which you are going about your business. You now say that because the steel industry is not doing well, this factory is not doing well, it is incurring losses during the last few years, its production is not up to the mark, the Government wants to takeover the management. And the Government seems to be in two minds whether to take it over or not. It is going to take two years to decide

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the matter. This indicates the bankruptcy of the Government's thinking. They have no one mind. On the one hand they want to take over, they do not hesitate for one-minute to take over the copper plant in Rajasthan at Khetri, a private sector plant which is doing well to make up for the loss which they have suffered in their public sector projects. If this is the way in which . . .

SHRI S. MOHAN KUMARA-MANGALAM: On a point of explanation, we never took over any copper plant in Rajasthan.

SHRI DAHYABHAI V. PATEL: I am saying that you took over the copper plant in Rajasthan. You took over the copper plant.

SHRI S. MOHAN KUMARA-MANGALAM: On a point of fact, I know what you mean, but . . .

SHRI DAHYABHAI V. PATEL: Correct me. I am willing to be corrected.

SHRI S. MOHAN KUMARA-MANGALAM: We took over the Indian Copper Corporation whose headquarters, mines and smelter are at Ghatsila and Mosabani near Jamshedpur in the State of Bihar.

SHRI DAHYABHAI V. PATEL: And it is making a profit.

SHRI S. MOHAN KUMARA-MANGALAM: Nothing was taken over in Rajasthan.

SHRI DAHYABHAI V. PATEL: I stand corrected. You took over a copper plant which was working well and handed it over to your project which, was making a loss. Is this Government's idea of doing business? You take over something which is going well to make up for the losses which your public sector project is incurring. I object to this in principle. It is wrong, it is deceiving the people and if you call this as your policy of socialism, I am strongly opposed to it, this is not socialism. You are misleading the country. If you want to nationalise the steel industry, by all means come forward and say that this is

I what we want to do. But do not go on saying that there is room for the private sector, there is room for the joint sector also and that we want to nationalise also. What do you want to do? Do you want the industry in this country to progress or not? Tell us. Prime Minister Nehru always said that there is room for the private industry, the private sector also. Have you given a go-by to that? You have never told this House or Parliament or the country that you have changed your ideas about this, that Nehru's ideas were antiquated, and you have come forward with new ideas that you have taken from your partnership with Russia and you are going to nationalise everything. By all means do it. You have the power, you are elected, you have got your majority. There may be a few people like me who do not like it. As long as our voice can speak out openly, we will speak against it. But why do you deceive the country. That is what I am against. You must come forward and tell us exactly that it is. What is the trouble with your steel plants? Have you not had co- operation of the workers? Have you not had all the power that you wanted? Have you not changed your management staff again and again? What have you not done? The fault is that it is government management. There is the case of a top executive of a steel factory who was never in India for more than a year- Is that how your steel plants are being managed? Is that not the real trouble? You have not been able to put proper management on your steel plants. That is the trouble and for that reason you are blaming the private sector and what not? That is what is wrong.

I do not know what the Government's idea of compensation is going to be in this matter. If you are going to decide after two years, I think it is unfair. If you want to take over the industry, by all means take it. But do it in a fair and straightforward manner. I think the way in which this Government is going about the business is not correct.

As I said, your own public sector projects, the steel plants, as also the Heavy Engineering Corporation do not show any indication that you are going to manage them well. Look at what is happening to your Heavy Engineering Corporation which has eaten up the capital of the Government and yet is does not seem to be on the way to be able to do anything worth while except continue to make losses.

SHRI MAHAVIR TYAGI: Your party might take it over.

SHRI DAHYABHAI V. PATEL: What a hope with this Government sitting there? If you had co-operated with us, perhaps we would have been able to do something. But then you pay lip sympathy to their social-ism and then you expect my party to do something. Mr. Tyagi, that is the trouble with your party. You are neither a fish, nor a foul nor a good herring. If you believe in the socialism of that party go back there. When you broke away from there, I welcomed it in the hope that you would realise that the socialism which that party is trying to dilute is wrong. But you seem- to have got confused again by this socialist cry. Your mind is confused. Why do you not make up your mind? We do not believe in their socialism as the way to progress. We do not believe in the heaven of the Communist Russia where they still have to go to America to buy food after so many years. Remember that. With the socialist heaven of the Soviet Union you have still to go and buy food from America. Also remember what is happening. There is no progress in this country. I happened to be in England two years ago when three hundred Russians were asked to quit because they were all spying. Not a squeak was made and now two days back we have received news that our great friends, the Arabs, have also realised that, and they have given marching orders to the Soviet agents there. My own fear is that 20,000 or so of the Russian spies who are there, or whatever you call them, will make

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a beeline for this country. Where will we be then? That is my fear.

THE VICE-CHAIRMAN (SHRI V. B. RAJU): Let us come to the point.

SHRI DAHYABHAI V. PATEL: I was interrupted. You will kindly pardon me for my digression. What I want is that industry in this country should progress. I do not see anything in what the Minister has said or put before us. You are punishing the Indian Iron and Steel Co. for the ills that took place in that place which was a general calamity, not only to the steel industry there but also to that province. It is possible that the dialogue between the Chief Minister and the management of the Indian Iron and Steel Co- did not click off well and, therefore, they are being punished. Is that the fear? That is the apprehension of many people. If that is the reason I think it is not a very valid reason for doing this. And if that is the prelude to nationalisation it is a very fair means of doing this because the price will go down if you want to take away somebody's property like killing a dog after giving it a bad name. By this means you are making the value of the shares less and, therefore, you have to pay less compensation. It is another way of nationalising that industry without compensation. Surely, some people believe in this but this Government has not said that they believe in that. What I want is that they should say so openly if that is their policy. That they would not do. They continue to mislead the people by their misleading tactics and misleading phrases.

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They have done it They have got the power. Then why don't they say so? Why don't they say that we have become a Soviet Republic and we are going to follow the Soviet line in everything? That would be more straight-forward and honest. But they don't do it.

For these reasons, I am not able to join the chorus that seems to be

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sounding all over the House. I am not in favour of this measure. I do not look upon this measure as a happy measure or as a measure that is going to take us forward.

SHRI BABUBHAI M. CHINAI (Maharashtra): Mr. Vice-Chairman, Sir, we have seen nowadays a spate of Ordinances and take-overs, and this is one such measure—What I want to ask the hon. Minister is that when you have taken over the IISCO, you have not given us a reasonable ground as to why you have taken it over, even though you have mentioned that it was not functioning properly, that the management was not good and that you had not sufficient time to come to the conclusion sooner. This is not a fair deal to an individual company or an individual management. I do not understand why the Government should have taken so much time if they were convinced that the management was not good, that the production was falling and that it was in the interest of the general public to take over this concern. Sir I have no quarrel with the general policy of the Government that wherever they think that it is in the interest of the public at large and wherever it is in the interest of the nation, the Government will take the industry into the public sector. I have no quarrel with that because after all, where the interest of the nation is concerned, naturally there cannot be any difference of opinion; the aim is the same. But here, Sir, if we look at the performance of the steel industry as such, the performance of Hindusthan Steel in 1970-71 was 61.2 per cent and in 1971-72, 58.9 per cent. If we take the three plants separately, the performance of Rourkela was 57.6 per cent and 45.7 per cent in 1970-71 and 1971-72 respectively; Durgapur—39.6 per cent and 43.8 per cent; and Bhilai, which has got the best figure—76.6 per cent and 78.2 per cent. The production of IISCO was somewhere near 61 to 62 per cent. No doubt it has come down. But this phenomenon was there due to several other factors also which

the Government and the hon. Minister know—In the eastern sector of the country, labour trouble and other factors were there not only for IISCO but for other industries also, as a matter of fact, so many industries had closed down during this period. Therefore, to say that they have taken it over because the production had gone down is not a very sound argument, according to me. My friend, Mr. Dahyabhai Patel, said something about Indian Copper. I most humbly want to bring once again to the kind notice of the hon. Minister that Indian Copper was doing well and production was to the tune of 9,000 tonnes, and you have put it under the management of a company which has not done anything for the last nine or ten years.

Now I have not understood this type of management. Look at what our own Parliamentary Estimates Committee has said. It has pointedly said that there is sustained loss in public sector steel plants. It has also said that in the case of Heavy Engineering Corporation the cumulative losses are of such a magnitude that they may wipe off the entire capital. This was in last year. And this year I am sure the Estimates Committee will once again say that the capital is completely wiped off. Under the circumstances what is required is not to say that it is due to bad management that you are taking it over. What is required is to remove the labour unrest and other things and make it function properly. The other day we were discussing that in public sector about 30 corporations have no heads and they are all topless. I made a simile with foreign countries like America where there is topless fashion. We have also adopted that topless fashion in our public sector corporations. I know that our hon. Minister is not concerned with all the 30 corporations which have no heads— I would request him that at least in the corporations under his control he should see that top executives or managements are reinstated and labour is reorganised. I am one with

all those who say that labour should have a say in the management also. Times have changed and unless you make the labour feel that they are part of the company, they will not have the heart to work in it. I agree to all that. But the problem, according to me, is one of production. I am not worried whether it is in the public sector or joint sector or private sector. What this country today needs is growth and production. If we are assured that there will be growth and production, I am not worried whether it is in the public sector or private sector. You go ahead with your schemes and I am one with you as long as you show us the result.

It has been said that as soon as the announcement by the hon. Minister was made that IIS.CO has been taken over for two years, the next day my good friend Shri J. R. D. Tata came out with a Press statement that his company is not going to be taken away because it is very nicely managed. For that reason there was no reason for Tata's Iron and Steel Company to be taken over by the Government. He got a reply from the hon. Minister that it was not as if he has not decided to take over even Tata Iron & Steel and he might do it if it was in the interests of the country. 'Interests of the country', according to me, is governed by three criteria, namely, good management, good production and satisfaction that they are contributing towards the welfare State. If these are fulfilled by Tata Iron and Steel then the hon. Minister need not have said that he may in future take over even that company . . .

SHRI MAHAVIR TYAGI: The policy of the Government in some cases has been to take over a non-profitable company so that their losses may be made good. I won't say that this is the policy of the Government for all concerns. It has happened in one. But that should not be the criterion for all.

But, Sir, what I wanted to convey was that if you want to nationalise for the sake of production, growth

and better management, you have a right to do it. But, that should not be an excuse for doing it in respect of all concerns saying that because the production is so low, we have taken it over. I say this because I have proved that even though production was going down in this case, the Government never even warned the company, "Look here. Your production is going down and your management has deteriorated. You improve it or we will have to step in". No dialogue of this kind had taken place. Therefore, I would submit to the Government that for the future at least they should take all these aspects into consideration. I have no doubt that we have in Mr. Kumaramangalam a good and an efficient Minister. But that does not solve the problem. Being a good and efficient Minister does not solve all the problems of the industry. He has to rely upon all those who have been managing the show. Therefore, you will have to rearrange the whole structure of the steel industry. The other day, we heard that a cosmetics and oil expert has been put in charge of an iron and steel plant. Now, this is not the way in which we will be able to run soundly the public sector undertakings. We will have to have people who know something about it, people who know something about the management. If it is the policy of the Government to see that the public sector goes on increasing, then, Sir, I would appeal to the Government to kindly concentrate on creating a managerial cadre so that you may be able to come out with a proper management cadre. Otherwise, Sir, you will fail and the country will fail and unnecessarily the people will suffer and you will get a bad name. Thank You, Sir.

श्री भूपेन्द्र नारायण मंडल (बिहार) :
उपसभाध्यक्ष जी, जो विधेयक अभी सदन के सामने प्रस्तुत है, मैं उसका समर्थन करता हूँ। एक बात सुनकर मुझे बड़ी खुशी हुई कि श्री कुमारमंगलम् जी ने टाटा के स्टेटमेंट पर यह कहा कि ऐसी बात नहीं है कि टाटा का जो फर्म है उसको हम नेशनलाइज नहीं कर सकते। यह बात जो उन्होंने कही, उसके लिए मुझे बड़ी

[श्री भूपेन्द्र नारायण मण्डल]

खुशी है। मैं चाहता हूँ और हमारी पार्टी भी चाहती है कि इस देश में जितने बुनियादी उद्योग हैं उन सभी का नेशनलाइजेशन कर दिया जाना चाहिए। यह हम लोगों की पालिसी है और ऐसा हम लोग चाहते हैं। इसलिए यह जो विधेयक अभी हाउस के सामने आया है, अगर वह यह कहकर आता कि जितने भी बुनियादी उद्योग हैं इस मुल्क में, उन सबको हम ले लेंगे, और उसके लिए यह पहला कदम है तो मैं समझता बहुत ज्यादा अच्छा होता।

इसके आब्जेक्ट्स एण्ड रीजंस में एक कारण यह भी बतलाया गया है और मुझे नहीं मालूम पड़ता कि वह कारण ठीक है और न ही मेरे दिल में वह बात जचती है। उसमें बतलाया गया है कि वहाँ पर लास ही लास हो रहा था, नुकसान ही नुकसान हो रहा था। इस सम्बन्ध में जो फिगरस दिये गये हैं उसमें यह बतलाया गया है कि इसकी उत्पादन क्षमता 10 लाख टन थी, लेकिन 1963-64 में इस कारखाने में उस क्षमता से अधिक याने 10.27 लाख टन उत्पादन हुआ था और 1971-72 में 6 लाख 70 हजार टन हुआ और 72-73 में इससे भी कम होने की आशा है। यह चीज वहाँ पर बतलाई गई है। इस कारण पर भी लिया जा सकता है लेकिन इससे भी अच्छा कारण तब होता, अगर बुनियादी उद्योग की वजह से राष्ट्रीयकरण की बात रहती; तो उस कारण का समझना आसान था लेकिन जो कारण बताया गया है, उस पर शक होता है। अगर यह कारण था तो पहले क्यों नहीं यह कारखाना लिया जा रहा था? अभी मैं लाइब्रेरी गया था। लाइब्रेरी में मैं एक मैगजीन पढ़ रहा था। उसमें मुझे सर बीरेन मुखर्जी का एक भाषण पढ़ने को मिला। उसमें उन्होंने कारण बतलाया है कि हमारी जो फर्म है उसकी हालत खराब होने की वजह यह है कि उसकी बैटरी खराब थी उसमें जो कोयला लगता है उसमें 19.5 परसेंट

एण रहता है। यह उन्होंने गड़बड़ी का कारण बताया था। इस स्थिति को दुरुस्त करने के लिए उसी फर्म के एक इंजीनियर ने 1960 में एक स्कीम बनाई थी। उस योजना को उस समय अर्थात् 1962 में काम में लाया जाता तो उसमें उस समय 12 करोड़ का खर्चा था। इसके लिए सर बीरेन ने वर्ल्ड बैंक का जो हेड था उससे बातचीत भी की थी और वे विदेशी मुद्रा लेने को राजी भी हो गए थे, लेकिन जब सरकार के पास वह बात आई तो सरकार ने उसकी मंजूरी उस समय नहीं दी, उसकी मंजूरी सन् 66 ईसवी में दी और उसके बाद डिवेलुएशन हुआ। नतीजा यह हुआ कि जो सिर्फ 12 करोड़ कुछ लाख में होने वाला था उसका खर्चा बढ़ कर करीब 21 करोड़ 14 लाख हो गया। इसकी वजह से योजना को फिर रिवाइज करना पड़ा। रिवाइज करने के बाद सर बीरेन अमरीका गया, अमरीका में जाकर वर्ल्ड बैंक के हेड से फिर बात की, बात करने के बाद उसको राजी भी कर लिया, लेकिन इतनी सारी मेहनत करने के बाद जो सरकार को करना चाहिए था उस समय वह सरकार ने नहीं किया और इसी वजह से उसका दिनों दिन प्रोडक्शन घटता गया। इसमें जो बताया गया है उससे मालूम पड़ता है कि जो प्रोडक्शन कम हुआ उसमें दोष उस कम्पनी का है, लेकिन मैं समझता हूँ कि बात वैसी नहीं है। इस गवर्नमेंट की जो इनफ़ीजिएन्सी है, यह जो उसकी देरी लगाने की टैकिंग्स हैं उसकी वजह से वहाँ नुकसान हुआ है। विधेयक के उद्देश्य में जो लिखी हुई बात है वह सही हो तो मैं समझता हूँ कि उसमें दोष गवर्नमेंट का है। वह बात न कह कर अगर सरकार यह बात कहती कि यह बेसिक इंडस्ट्री है और अपनी पालिसी के मुताबिक हमने लेना शुरू किया है और पहले इसको ले रहे हैं, दूसरों को भी पीछे ले सकते हैं, जैसा कि इन्होंने कहा भी है कि टाटा को भी हम ले सकते हैं। यह अच्छा रहता, लेकिन वैसा नहीं किया गया है। इसलिए हम चाहते हैं कि अगर सरकार ने अपने हाथ में इसको लिया है तो इसको खुले दिल से लेना चाहिए था, लेकिन इसी बिल में

जो प्राविजन है उसमें, क्लॉज 7 में यह लिखा हुआ है :-

"Notwithstanding anything contained in sub-section (1) of section 3, if, at any time before the expiry of the period of two years referred to in that sub-section, it appears to the Central Government that the purposes of the vesting of the management of the undertaking of the company in that Government have been fulfilled or for any other reason it is not necessary that the management of the undertaking of the company should remain vested in that Government, it may by order published in the Official Gazette, relinquish the management of the undertaking of the company with effect from such date as may be specified in the order".

इसका क्या मतलब होता है। इस तरह तो सरकार की ओर से कहा जाता है कि नेशनलाइजेशन का पहला स्टेप यह है। लेकिन इस क्लॉज को पढ़ने से मालूम पड़ता है कि कोई बात भीतर भीतर चल रही है, चाहे लेनदेन की बात हो या जो भी कोई बात हो, शायद कोई ऐडवांटेज वहां से लेने की बात हो रही है। इसका जो निगोशिएशन चल रहा है उस निगोशिएशन में कहीं कोई गड़बड़ हुई है, इस लिए इतनी जल्दी आर्डिनंस आया और इसी लिए यह क्लॉज लाया गया है कि अगर उसका फैसला हो जाय तो शायद उसको रेस्टोर भी किया जा सकता है।

एक दूसरा क्लॉज इसमें दिया गया है जिसके जरिये से यह बतलाया गया है कि सरकार की यह पालिसी है कि हम समाजवाद कायम करना चाहते हैं। जो कोई आदमी चाहे अपने खेत में काम करता है, चाहे अपने खलिहान में काम करता है, चाहे अपनी प्राइवेट इंडस्ट्री में काम करता है, चाहे किसी सर्विस में काम करता है, सभी कोई अपने काम के लिए रेस्पॉंसिबिल होगा। लेकिन जो प्राविजन दिया गया है इस बिल में उस के जरिये से प्रोटेक्शन मिला है कुछ लोगों के लिये। मैं समझता हूं कि इस तरह का प्रिविलेज क्रिएट करना समाजवाद के खिलाफ है। इस

लिए सरकार को इसे वापस लेना चाहिये।

इतना कहने के बाद चूंकि आपने कहा है कि यह नेशनलाइजेशन का पहला स्टेप है, इस लिए इस बिल का मैं समर्थन करता हूं।

SHRI T. N. SINGH: I make an appeal to Mr. Minister to kindly listen to one or two points which I would like to make before he answers.

SHRI S. MOHAN KUMARAMAN-GALAM: I would be happy to listen to you and give an answer.

SHRI T.N. SINGH: Sir, with whatever little I know of the steel industry, the difficulty that has been worrying me is, how things have deteriorated at the IISCO. The complaint regarding the faulty operation of coke ovens about which the Minister has said, is today one of the most common maladies in our steel plants, whether it is the public sector or the private sector. The coke ovens in Durgapur went wrong completely. In 1954-65 they were in a very bad condition. An enquiry was made by Shri G. Pande into these affairs. The same thing has been happening in most of the steel plants. In the coke oven plants if you will visit, you will see flames coming out and thus warping the doors. The chamber is even damaged. That is what has been happening.

After all, you have not done anything of a socialist reform in taking over the IISCO. I do not concede that point. But what I do want is that the image of the public sector should be improved. The image today of the steel plants in the public sector is very bad. I have a fear that the labour trouble that you have at Durgapur will multiply many folds more at the IISCO. What is the position there? Payment of overtime is a systematic thing in Durgapur. I will tell you how it is systematic. What happens is that there is an arrangement among workers. Each one of them takes half a month's leave in rotation. Then they work for four hours as overtime in place of absent workers. In working for 15 days and four hour's additional overtime they get the whole month's wages. This is how it has been arranged systematically in Durgapur. This overtime complaint is not un-

[Shri T. N. Singh] common. It has been there in Durga-pur, it is there in some other plants also except perhaps Bhilai. In Bhilai too the situation is bad. You take it from me. I -visited Bhilai some time ago. The relationship between management and the rank and file is not good.

Therefore, I would like you to throw light as to what is going to be your new policy in regard to (a) creation of a management cadre, (b) creating real labour satisfaction so that they do not mismanage the machines, and operational difficulties do not arise.

And thirdly, maintenance of equipment. Maintenance should be properly done and it should not be hindered because of lack of foreign exchange or sanction' from the top for the purchase of machines and because of inefficiency of the people who are in charge of maintenance and who really do not know how to look after the machines.

SHRI S. MOHAN KUMARAMAN-GALAM: Mr. Vice-Chairman, may I first of all thank all the hon. Members who have participated in this discussion and also who have, in the main, supported the decision of the Government? There have been of course a few persons who threw a little doubt on the way in which the Government have acted but I think by and large the House was of the view that the Government was justified in the decision that it took in taking over the management of Indian Iron.

Let me now deal with the points one by one. The first criticism that I would like to take up is about the two year period of the takeover. The criticisms varied from my hon. friend, Mr. Balachandra Menon, who wanted a total takeover by nationalisation to my hon. friend, Mr. Thengari, who felt that we were admitting our inefficiency by not knowing exactly what was the position inside Indian Iron and, of course, at the other extreme there was my friend, Mr. Dahyabhai Patel, who unfortunately is not here; probably he exhausted himself in the course of his speech and he is gone to have some rest; he

was extremely excited about the way in which we are pursuing our policy. Now I would like to make it clear that the decision to take over Indian iron is not a temporary decision. Mr. Thengari feels that we should have had an efficient appraisal machinery by which we would be able to appreciate exactly what was the position in relation to machinery, equipment and so on. I am afraid it is extremely difficult to have such a comprehensive machinery for the country as a whole, even for a steel plant of this character. We do try to have an idea of the position, but to have an accurate appraisal of the particular level of efficiency of a particular undertaking is not easy and there was no point, when we could take over the management, in risking a final decision when we do ourselves no harm by having a short period in which we can assess the whole matter carefully and come to a conclusion. I think it is a fairly sensible approach to the matter and I hope the hon. Member will also agree with me.

Mr. Mandal was doubtful about the motives of the Government in view of the fact that we have got clause 7 (1) in the Bill. But I can assure him that this is introduced in the Bill only because if we ultimately decide, as we may—I have not taken any decision yet and I wish to make it quite clear—that we can take over the company as such by adding to the number of shares which are today in the hands of the Government or which are controlled by the Government then we may like merely to hand it back to the company which is controlled by the Government, not to the same management but to the Government management itself. Supposing we decide that is the best way to continue to operate the company then we want to have that power. That is why we have got clause 7(1). This does not mean and I would like to repeat, it does not mean that we have any intention of handing it back to any private management, either the past private management or any new private management but if we wish to operate this as a Government company with Government itself being in the majority or shares which are controll-

ed by the Government giving us a majority, then this clause 7(1) would permit us to do so, but again I would like to mention to the House that this is a matter for the future. We would like to see how things develop and then decide on what would be the proper course to follow.

My friend, Mr. Nawal Kishore, was asking the question, "Why did you take this devious route when you have amended the Constitution? Why is this?" Probably he had in mind the amendment of Article 31 and the introduction of Article 31C. Perhaps he did not intend to join Mr. Balachandra Menon in advising us that we should take the whole thing over at one stroke. I think—it covers your point also—that it is really a question of acting by way of abundant caution, of not rushing in without knowing all the details of what is happening in Indian Iron, and taking a decision only after knowing the details. Mr. Nawal Kishore felt appalled at the way in which we have misused our power. He used strong language and said that no other Government has misused power in such a way and that day in and day out Ordinances are being promulgated. But I think he should appreciate—and Prof. Raj at Chakrabarti also mentioned this in the course of his contribution—that take-overs of organisations like this really cannot be done in any other way except by way of an Ordinance. The leisurely process which we necessarily have to go through in Parliament requires a lot of time and gives, therefore, persons, who might be inclined to act *mala fide*, the opportunity to act *mala fide*. A swift take-over can only be by means of an Ordinance, and I think the Government can take pride in the fact that the secret of the take-over of IISCO was very very well kept. In fact, newspapers have commented, . newspapers which would like to know what we are doing, have commented on the fact that they failed to get news until the actual take-over took place. Unless we adopt a swift process of this character, one does not know what a management may or may not do. They may not do anything. They may act perfectly fairly. I do not want to. i_m-

pute motives. But why put temptation in the way of such gentlemen? And after all, ultimately it will come before Parliament. Ultimately we hear your criticisms very patiently. Ultimately we have to answer them, and we try to to the best of our ability, and ultimately you can throw the Bill out if you so wish. So where is it that we are insulting Parliament? Where is it that we are governing in such a way that it is undemocratic? Surely, in every one of these cases, where we have resorted to Ordinances, whether it is the take-over of coking coal or copper or any of these other, or the Jayanti take-over, it has always been justified because we did not want to give the opportunity for *mala fide* conduct on the part of the management in-charge—just possible; I do not say it will happen, but just possible, if we resort to a procedure which gives them such an opportunity. That is the reason why we could not wait for the 15 days which you mentioned. That is the reason why we govern sometimes by Ordinances. It is not the 15 days that is important it is the fact that you have to do it swiftly, as it were by cutting with a knife, sharply, so that it does not permit of any possibility of misuse of managerial power by a management that knows that it is going to lose its power within a foreseeable and therefore short period.

Hon. Members, naturally those who are critical of Government almost by habit, sometimes on our side of the House also, or sitting somewhere in the middle, like my friend, Mr. Babu-bhai Chinai, who does not seem to know where he is sitting, and all others who are still firmly in the Opposition . . .

SHRI BABUBHAI M. CHINAI: Am I not sitting just opposite to the Chair?

SHRI S. MOHAN KUMARAMANGALAM: There are ways and ways of supporting; it is said that even a noose supports a hanged man. So I do not know, I am not sure whether the support you give me sometimes is not of that character.

SHRI BABUBHAI M. CHINAI: My support is, qualified. I said if it is for . . .

SHRI S. MOHAN KUMARAMAN-GALAM: I have understood you. Did you understand me?

SHRI BABUBHAI M. CHINAI : I have said "if it was for the good of the nation".

SHRI S. MOHAN KUMARAMAN-GALAM: We both understand each other.

SHRI BABUBHAI M. CHINAI; I have said "conditional".

SHRI S. MOHAN KUMARAMAN-GALAM: Conditional support? Conditional support in matters of this character? Either you support or you don't. I will take it then that you don't now.

SHRI BABUBHAI M. CHINAI: Take it as you like.

SHRI S. MOHAN KUMARAMAN-GALAM: It was only natural that you should find yourself in the company of Mr. Dahyabhai Patel, and to a lesser extent of my friend, Mr. Nawal Kishore . . .

SHRI BABUBHAI M. CHINAI: Sir, . . .

SHRI S. MOHAN KUMARAMAN-GALAM: May I finish?

SHRI BABUBHAI M. CHINAI: You cannot go away by naming me and saying something unpalatable regarding me, and then say, "You allow me to go ahead". Then please do not name me: I do not mind. But I do not want to be clubbed in this manner:

SHRI S. MOHAN KUMARAMAN-GALAM: Are you very disinclined to be clubbed with Mr. Dahyabhai Patel?

SHRI BABUBHAI M. CHINAI: I am not inclined: therefore, I have to interrupt you.

SHRI S. MOHAN KUMARAMAN-GALAM: Then I will exclude you from that company; you seem to be so unhappy about it.

SHRI BABUBHAI M. CHINAI-Very kind of you. I am not.

SHRI S. MOHAN KUMARAMAN-GALAM: My friend was not like that

and you cannot accuse him. But, oddly enough, you mouth the same arguments and that is what makes it difficult for one to proceed, Mr. Chinai. You are entitled to your arguments: I do not say you are not but, naturally, as it were, birds of the same feather tend to flock together at least in arguments, and the argument which was common to you and to Mr. Dahyabhai Patel was to bring in the public sector and to say, "Well, when the public sector is going down in this way, how is it that you are so free in taking over a private sector organisation?"

Now, I would like to point out that we are not unconscious of the weaknesses of the public sector. On the side of the Government we have repeatedly come before the House and said: "Yes, we are conscious of those weaknesses. We are doing our best to improve them". But it is necessary also to put the record straight. Let us take not Rourkela which, apart from the roof collapse last year, has been doing comparatively better, not Bhilai, whose record, as the hon. Member, Mr. Singh Dointed out has been reasonably good, but Durgapur which is in a sense, the worst of the public sector plants. Let us examine the record of Durgapur on the one hand and the record of Indian Iron and Steel on the other hand. Now, Durgapur went in this way:—

(In thousands of tonnes')

IISI-fio	'..	..	..823
1 non-70	..	..	..818
1970-71	..	..	.. OiU
1971-72	..	..	..700

Take IISCO . . .

SHRI T.N. SINGH: As against its capacity. What is Durgapur's total capacity? Then make the comparison.

SHRI S. MOHAN KUMARAMAN-GALAM: I will come to that. I will deal with it in full. Take IISCO:—

(In thousands of tonnes)

1968-H9	..	..	..777
1969-70	..	..	..700
1970-71	..	..	.. f>27
1071-72	..	..	.. (17

Now, we all know that in Durgapur the rated capacity is 1.6 million tonnes. My hon. friend knows this as well as I do. And, therefore, percentage-wise, the percentage of Durgapur is lower. If my hon. friend had waited for a minute I would have explained it even without his assistance. I am grateful to him, but what I am trying to point out is that there has been a trend towards improvement. I would not put it higher than that in Durgapur. Though Durgapur went very low, it went up. My hon. friend knows much better than I do why it went so low because he was much nearer the source of power regarding steel at that time than I was, if he would cast his mind back a couple of years. So, let us leave that where it is. Let us see what has happened this year. After all we have taken over IISCO this year. So, surely what happened this year is most important in assessing whether Government's decision is *bona fide* or is not *bona fide*. Now, in the last quarter of 1971-72 Durgapur produced 207,300 tonnes of steel ingots and 102,800 tonnes of saleable steel. IISCO produced 143,000 tonnes of steel ingots and 124,000 tonnes of saleable steel. In the first quarter of 1972-73 there was a precipitous drop in IISCO's production, while Durgapur dropped from 207,000 tonnes to 167,900 tonnes of steel ingots, 19 per cent less, which is not good. But it is not unexpected if one talks in terms of the first quarter which is usually a little less. So far as saleable steel is concerned, it is almost the same figure of 102,800 tonnes in the last quarter of 1971-72 and 102,400 tonnes in the first quarter of 1972-73 which again is not good. I do not justify it is a good figure, but it shows that at least we are maintaining that position. Now, what happened in IISCO? As I mentioned earlier, the drop was from 143,000 tonnes or so to 91,000 tonnes of ingots—36 per cent drop—and from 124,000 tonnes to 69,000 tonnes of saleable steel, 43 per cent less. It is because of this precipitous drop that we were compelled to take it over. This is what I was trying to explain. I do not, therefore, justify our weakness in Durgapur. I would most sincerely request hon. Membani and particularly my hon.

friend, Mr. T.N. Singh, who knows the position of Durgapur as well, if not better than I do, to see that we are going through a very difficult time in Durgapur.

We had a time when virtually we were compelled to retreat. He knows that time because he himself was very close to Durgapur at that time.

SHRI T. N. SINGH: At that time the strike was called off unconditionally and the workers came back in a much better mood.

SHRI S. MOHAN KUMARAMAN-GALAM: The hon. Member has forgotten that in the period 1963-64 and 1965-66, in those years when the production was comparatively at a higher level; very very serious mistakes were made for which later we were to pay. This is not my statement but this has come in the reports when they went into the working of the Coke Oven. The expression used was a slang expression, flogging the Coke Oven, not really maintaining them. So we are paying for those sins even now as well as the very serious difficulties we are facing in dealing with labour. When I was speaking the other day on this question, I pointed out to hon. Members belonging to the Marxist Party—unfortunately none of them participated in the discussion—that the difference between Durgapur, Bhilai and Rourkela, where the management is exactly the same, that of the Hindustan Steel, is that whereas we have committed probably mistakes in all these areas, so far as maintenance and so on is concerned, the worst performance was at Durgapur, which is due to the far greater contribution of those who did not allow stable industrial relations to develop even to a limited extent in Durgapur. That is the position.

I want to go back to the point I was making. I was saying that there is an improvement, though it is slow and though it is by no means adequate enough, in Durgapur. But unfortunately instead of an improvement coming in Indian Iron the situation is just the opposite, namely, that there is a sudden, precipitate and, if I may say, even catastrophic decline in production.

[Shri S. Mohan Kumaramangalam.]

Let me go on to another point that was raised by hon. Members regarding the new management. Shri BalachandraTVTenon and Shri Nawal Kishore were particularly incensed that we have appointed a Managing Director to the leading position in Indian Iron! I think Mr. Krishna-swamy mentioned that it is the same management.

SHRI NAWAL KISHORE: I never said that. I said that you charge that the management was not good, and one of the top men has been promoted.

SHRI S. MOHAN KUMARAMANGALAM: I noted what you had said and it is my duty to reply. I thought I was attempting to. We have not promoted anybody in that manner. The gentleman who today has been appointed as the Chief General Manager in Burnpur was previously a Director of Indian Iron. So, there was no question of promoting him. We came to the conclusion that we should and could appoint him because from our knowledge of the working of the organisation he was not directly involved in the top management earlier. The top management was in the hands of two Directors who had been appointed as the Management Committee as it were for that company by a resolution of the Board. He was not one of those Directors. In fact he was given very little work as a Director, and I would only plead with you to appreciate that we did go into the matter very carefully. We were advised by persons who have no interest in this gentleman whatsoever, namely the persons who have been working as Directors on the Board—and we have very high officers on the Board: the Chairman of Bokaro Steel, the Chairman of Hindustan Steel, the Zonal Manager of the Life Insurance Corporation, apart from the Secretary of the Steel Ministry, Government of India—all of them considered that it would be to the advantage of the company if we appointed a person who had worked for many years at Burnpur as the Chief General Manager. You know there is always a difficulty in inducting a new man directly into operations; there may be disruption of

operations. So we have inducted a new man above him as Custodian who will check and help him in his working. It is useful to have somebody who knows Burnpur inside out, the employees, the machinery, the equipment, the past working, and so on. We are really putting him on test. It is our assessment and I would request you to accept it, but it is an honest assessment. We have no interest in this gentleman. I personally can say I never knew him, I never knew of his existence until I came as Minister in charge of this Ministry. I think you should give us credit and accept our assessment. We think it is worthwhile to put him on trial and not bring a totally new person which will mean so many complications because he has to find his feet at a time when the plant is going through an extremely difficult period.

My hon. friend also mentioned something about the General Manager of Hindustan Steel, that he was a member of the CPI in 1942. Well, we have not yet adopted the principles that were popularised in the United States by the famous Senator McCarthy, that we should examine what somebody was doing thirty years earlier in order to arrive at whether he is a good man today or not, and I do not think that that is relevant. I do not know who is the gentleman you have been referring to because I cannot say offhand as to who was the member of the Communist Party and for how many years except about myself. I can give you that information, if you wish to have it, but so far as others are concerned, I am afraid I am not in a position to answer that question, and I think . . .

SHRI NAWAL KISHORE: You want to know the name of the gentleman?

THE VICE-CHAIRMAN (SHRI V. B. RAJU): It is not necessary.

SHRI S. MOHAN KUMARAMANGALAM: Privately I can satisfy you also because whom you are referring to, I know. I am against referring to names, unfortunately. It receives far more publicity than it should and denials very often do not find mention in the newspapers while assertions do because assertions are more sensational than denials. Let us leave

out names and we can discuss them later.

Mr. Thengari referred to the ratio between the top manager and the worker and said that it should not be more than 10 to 1. I can assure him that it is going to be substantially less than 10 to 1. You will be surprised—it is a fact—because a sweeper in IISCO—I am talking of a lady sweeper—gets Rs. 397. If you take income-tax into consideration, 10 to 1 will require a figure of something like Rs. six to seven thousand—if you take income-tax which I think one is entitled to—because one is not concerned with the formal amount that a particular individual gets, one is concerned with the real amount that actually goes into one's pocket and if one takes that into consideration, it may be well within the golden figure of 10 to 1 and therefore, well within receiving your approbation.

DR. R. K. CHAKRABARTI: The figure stated just now, is it including the overtime or it is just the pay?

SHRI S. MOHAN KUMARAMAN-GALAM: Without including overtime. I do not want to go into details because I had mentioned earlier in my opening remarks in moving the Bill that I am very anxious to have the help of the trade unions in solving the problem. But I think I can show and prove to anybody who looks at the matter objectively and without prejudice that the present level of emoluments of the worker in IISCO is substantially higher than the level of emoluments of workers in other industries in our country as a whole including the iron and steel industry for which there are certain historical reasons. I do not grudge them the higher emoluments but I would like to have the help of my friends from the trade unions, people like Mr. Balachandra Menem, to sort out the problem so that we can get the best out of them and they can get the best out of us.

Then there was some mention of workers' participation. We are talking about it so much but we find it so difficult to put it into practice. Let us see what we can, we are committed to it, and we shall try to do our best in relation thereto.

Just a few remarks about some specific clauses in relation to which my friend, Mr. Nawal Kishore, asked certain questions. First of all, so far as clause 3(4) is concerned, this is only in relation to persons in charge of management. That does not mean every officer at all and it really takes into account the scope of section 197A of the Companies Act where the different categories of managerial personnel are defined. And all that we are doing is—it means such managerial personnel, which means directors and persons of that character—to ensure that the contracts will be terminated. We do not have an argument about them, and we have safeguarded ourselves by the introduction of clause 6 by way of abundant caution. Suppose they have a five-year contract or a four-year contract, well we should not have to pay compensation for terminating their services.

Then, so far as clause 9(2) is concerned . . .

SHRI NAWAL KISHORE: I agree with you. But there is the word 'managers' also. In addition to 'directors', there is 'managers'.

SHRI S. MOHAN KUMARAMAN-GALAM: You will find that the expression used is 'all persons in charge of the management'. We have not used the expression 'all managers'. He is to be in charge of management and includes others who hold office directly as managers.

So the first thing is he must be in charge of the management whereas when he is in charge of the sales office or some such thing, he is not in charge of the management. The management of the company means what you have got at the top. I think that makes it clear.

So far as clause 9(2) is concerned, the hon'ble Member need not feel that we do not respect the court. We do. But what we do by this is to prevent harassment. Anybody may file a case saying that X has possession of such and such property of the company or Y has wilfully retained the property of the company. The court will have to take cognizance of it. It is a different thing that the court may ultimately dismiss it. We believe

[Shri S. Mohan Kumarmangalam.]

the court would. But meanwhile the poor gentleman who has been charged with that fact without any basis at all will be put to personal harassment. That DQor gentleman will have to go through the whole court trial. That is why we have put the restriction that it must have the sanction of the Central Government or an officer authorised by the Central Government.

I think he mentioned also clause 13 relating to suit, prosecution or other legal proceeding etc. This is the usual routine clause which everybody, who has ever moved a Bill in this House, has to do, namely that acts of government officers done *bona fide* should not be challengeable in a court of law.

There are just one or two more points which I would like particularly to deal with because my good friend, Mr. Dahyabhai Patel, in his eloquence wandered almost all over the world including the Soviet Republic. I would ask him to remember (Interruption by *Shri Dahyabhai V. Paitel*). I did not interrupt him. I may also make a joke or two to enliven the proceedings as we proceed. I do not think there is any lack of clarity about Government policy. We are clear about what we want to do in relation to the public sector, the joint sector and the private sector. We are not in any two minds whether to take over or not. But we do not want to—and this is what I explained earlier when you were not present in the House—We do not want to come to a firm decision without having firm facts. And if we have to take advantage of an interim period it will enable us to investigate fully the position. Therefore, to come to a proper decision we have to take advantage of such a period.

The hon'ble Member was particularly critical of copper because not merely he wandered from India to the Soviet Union but from iron to copper. But I assure him that the Bill for the acquisition of the Indian Copper Corporation is coming next week in this House and I am sure he will undoubtedly utilise his eloquence in denouncing the Government's action at that time in detail and I will have

my eloquence in answering him as well as I can. I think I can leave at that. But let him not get so excited about these things because we are far away from becoming Soviet Republic. There are people in our country who may desire it. But they would feel strange if you told them: that India has already become a Soviet Republic because the fact that you are sitting there looking at me and I am standing here looking at you is not the type of thing that one has in the Soviet Republic.

SHRI DAHYABHAI V. PATEL: I am glad you have realised that.

SHRI S. MOHAN KUMARAMANGALAM: It is better to keep somewhere near the leafities in the country and even in the course of the eloquence which you are undoubtedly capable of it is good to be neat-reality and not to go too far away.

Finally, Mr. Mandal asked me about the take-over of Tatas. I think he was happy about the statement that has been ascribed to me. I think Mr. Babubhai was slightly unhappy about it. But I do not think that there was anything to make one either happy or unhappy. Or perhaps my statement was most reasonable because it made one happy and the other unhappy. That means it was somewhere in the middle, between the two. All I said was that so far as Tatas are concerned, the considerations that apply in relation to the Indian Iron do not apply to Tatas because they have a competent management. As for the future, well, one does not know what may happen. That is the position. Naturally, Mr. Tata himself feels that the Government has no case in taking over Tata Iron and Steel, and looking at it from his angle he is quite justified in so feeling.

But his spectacles and our spectacles are slightly different. We look at things slightly differently. Ultimately if in the interest of the country, it becomes necessary to take it over, we will. But I would like to assure hon. Members that just as I say when I am Dressed on the question of coal mining nationalisation, nothing is precluded so far as takeover is concerned. But we look at it from the point of the interest of the

country as a whole. It is not a question of having certain ideological predilections this way or that way. It is a question of developing the economy of our country as fast as we can to make up for all the lags which are undoubtedly there to-day. And if this demands a particular decision on the part of the Government, that decision will be taken. But I do not think that to-day it would be of any value for me to go into the question of Tatas because that is not in issue to-day.

Finally, I would cover one or two points which my friend, Mr. T. N. Singh raised at the conclusion of the discussion regarding the coke ovens. It is true that the coke ovens in the other plants also have not been in too good health. But I can assure him that the coke ovens in IISCO are far worse. I think a mistake was made—I speak, of course, with a certain amount of modesty on this matter because I am not quite sure whether I am right and that is why I say "I think". I think a mistake was made some years ago, probably four or five years ago, in banking the coke ovens batteries No. 5 and 6, which are now being brought into operation. Number 6 is coming back into operation probably within two months and No. 5 came into operation on July 20. As a result, they lost quite a lot of time. Secondly, I think adequate steps were not taken to conduct hot repairs in coke ovens No. 7, 8 and 9. That is the information that I have got and it has been confirmed. Though it is true that there are troubles in coke ovens elsewhere. I do not think the steep decline in performance that we have noticed in the coke oven batteries of IISCO is there in the batteries of other steel plants.

Finally, regarding labour trouble, it is true that there is labour trouble there. I do not deny that the industrial relations are not of the happiest. That is why I mentioned even in my opening address that this has to be taken seriously and I hope that we will get the full co-operation of the trade unions also in solving these problems. But it may not be quite true to say that there is an overtime cycle there. There has been overtime on a seven-day week, completely violating the Factories Act and other

provisions, but now as a result of the settlement, it is no longer there. But unfortunately the settlement is not working satisfactorily. This is where we really need the help of the trade unions. They have promised us their help and I hope we will be able to solve that problem.

I think I have covered all the points that hon. Members have raised. I would only appeal to them to support this Bill and to help us in seeing that we are able to do our work effectively in this very difficult field. Thank you.

THE VICE-CHAIRMAN (SHRI V. B. RAJU): The question is:

"That the Bill to provide for the taking over of the management of the undertaking of the Indian Iron and Steel Company Limited for a limited period in the public interest and in order to secure the proper management of the undertaking, as passed by the Lok Sabha, be taken into consideration".

The motion was adopted.

THE VICE-CHAIRMAN: We shall now take up clause-by-clause consideration of the Bill.

Clauses 2 to 17 were added to the Bill.

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

SHRI MOHAN KUMARAMANGALAM: Sir, I move:

"That the Bill be passed."

The question was proposed.

5 P.M.

श्री नवल किशोर (उत्तर प्रदेश) : उपसभापति जी, मेरा कोई विचार इस मौके पर कुछ कहने का नहीं था और शुरुआत में कुमारमंगलम् साहब का कि उन्होंने काफी डिटेल् में मेरी बातों का जवाब दिया और मैं उन को कांफ्रेंसुलेट भी करता हूँ कि एक अच्छे वकील की तरह से उन्होंने अपने केस को पट अप किया।

श्रीमन्, कई बार उन्होंने मेरा नाम लिया। इसलिये मुझे दो तीन बातों को कहना है।

श्री रणवीर सिंह : नाराजगी है क्या नाम लेने से ?

श्री नवल किशोर : जरा सुनिये तो । मुझे एक तो यह कहना है,

He used the words

"I was incensed". Sir, through you I may tell him that I was not at all incensed. I only mentioned by the way that the man who has been appointed General Manager of Hindustan Steel Limited was a member of the CPI and he sabotaged and subverted the Quit India Movement. I said one thing more about which Mr. Kumara-mangalam has not said a word. I said that he was in the Tatas in the Section of Oil/Lubricants. What are his special qualifications to make him General Manager of the Steel Plant? This has not been replied to. That is number one. Then he also said some Members criticise by bringing in the public sector whenever there is anything there. I told you in the very beginning I am one of those who stand hundred per cent for public sector. But I do want in the interests of the public sector itself that it should be efficient; not inefficient like the Hindustan Steel. People have studied and the Estimates Committee also says that these steel plants and Heavy Engineering Plants are eating up their capital. I only want to bring to his notice in this connection that on the question of taking up a company into the public sector I am with you. But people will not have confidence in you unless you improve the working of that sector. That is what I wanted to say. I am glad he has appointed a man as Chief General Manager about whom, about whose abilities, he is so convinced. I have nothing against him. I agree with you hundred per cent. At the same time, if there are other people who are equally efficient and who can contribute to the good management of this company, they should also be retained. That is what I said. I said that one set of people you are keeping, the other set you are dismissing, and that is discriminating. In the end I would say a little about Clause 13(2). I myself said that it is a very innocent clause. It is there in every Act, everywhere. But I said that those people who have

worked so far, if they have worked in a *bona fide* manner, they should not be penalised. That is all what I wanted to say. I have no objection for this Clause 13(2). But if you are going to penalise the people, then you should also see that if they have acted under the old management in a *bona fide* way, they should not be penalised.

SHRI S. MOHAN KUMARA-MANGALAM: One word. We are not penalising any single officer under the old management at all now. The only two persons whose services have been terminated by the operation of the Act are two Directors of the Company. Nobody else.

THE VICE-CHAIRMAN (SHRI V. B. RAJU): The question is—

"That the Bill be passed."

The motion was adopted.

[THE VICE-CHAIRMAN, SHRI RAM SAHAI, in the Chair]

THE COMPANIES (AMENDMENT) BILL 1972

THE MINISTER OF COMPANY AFFAIRS (SHRI K. V. RAGHUNATHA REDDY): Sir,

I beg to move—

"That this House concurs in the recommendation of the Lok Sabha that the Rajya Sabha do join in the Joint Committee of the Houses on the Bill further to amend the Companies Act, 1956, the Securities Contracts (Regulation) Act, 1956 and the Monopolies and Restrictive Trade Practices Act, 1969, and resolves that the following 15 members of the Rajya Sabha, namely:—

1. Shri Mahavir Tyagi.
2. Shri M. K. Mohta.
3. Shri B. T. Kulkarni.
4. Shri J. P. Mathur.
5. Shri H. D. Malaviya.
6. Shri S. K. Ganguli.
7. Shri M. R. Vyas.
8. Shri K. Srinivasa Rao.
9. Shri S. G. Sardesai.
10. Shri Himmat Singh.