

**Title:** Further discussion on the resolution moved by Shrimati Geeta Mukherjee regarding sick public sector undertakings on the 3rd December, 1999. (Resolution withdrawn).

15.00 hrs.

MR. CHAIRMAN: We will go to Private Members' Business. Four names are there. The remaining available time is 29 minutes. Shri Moinul Hassan, please.

SHRI MOINUL HASSAN (MURSHIDABAD): Respected Chairman, Sir, on this occasion, I would like to recall the old age when the Public Sector Units were started. At that time, what was the object and aim to build up a public sector enterprise in our country? Firstly, it is to help in the rapid economic growth by way of industrialization of the country. Secondly, it is to promote redistribution of income and wealth and thirdly to create employment opportunities.

1503 hours (Shrimati Margaret Alva in the Chair)

At that time, for our great newly independent country, self-reliance was an important task. If we have gone through the records, the speech of our first Prime Minister, Pandit Jawaharlal Nehru, has enthused the whole nation to build up this nation. So, I suppose in the early days, Public Sector Units were very much related to our nation building. Not only that, it is not suffice to say that it is the backbone of our economy.

I would like to go through the present performance now. Respected, Madam, for the decades, the PSUs have played one important role to build up our national economy. Even today, I would like to quote from the last report. Out of 240 PSUs, 45 are rated as excellent and 25 are rated as very good.

These 240 PSUs increased their net profit by 37.36 per cent in 1997-98, compared to the previous year. This is the present performance of our beloved public sector enterprises. Right from 1991 when the story of open nation and globalisation has started, black days have started for the public sector units. In 1996, the Disinvestment Commission has decided to open the public sector to the private sector. But why this sickness has come now? There are so many reasons for that and I would like to go into some specific points.

These public sector units are traditional enterprises and, therefore, most of them are aging plants. Since long there has been no modernisation. There is lack of competitiveness, there is lack of funds, there is lack of electricity and there is incapability of management also. But what is the Government's attitude to overcome these problems! On 3rd February, 1992, a National Renewal Fund was set up. What was the allocation of Fund! The allocation in 1992-93 was Rs.829.66 crore; in 1993-94 it was Rs.1,020 crore; in 1994-95 it was Rs.200 crore; in 1995-96 it was Rs.140 crore; in 1996-97 it was Rs.150 crore; in 1997-98 it was Rs.306 crore; and the Budget Estimate for 1998-99 was Rs.300 crore. Not only that, this Fund has not been properly utilised also. Besides that, this Fund is not in a position to revive our sick industries. I am very sorry to say that the Government is very much eager to give us VRS but not to revive a sick unit.

I would just like to mention about the jute industry in the country as a whole and in West Bengal, in particular. Most of the jute mills are closed. There is no plan for modernisation. There is no adequate plan for diversification of products. The Jute Research Centre is nothing but a rehabilitation centre for Government officials. They are doing nothing. What about the National Jute Manufacturing Corporation? No steady funds flow to this Corporation from the Government of India. Large amounts are due to this Corporation and the common farmers are suffering. Yesterday I had seen that only Rs.46 crore have been allocated for NJMC in the Supplementary Demands. I think this will be spent for paying the salary and TA/DA, and the payment of dues will be withheld. Everybody is talking about the dues to NJMC from big businessmen, but nobody is talking about the dues from the NJMC to the cooperative sector. A large number of farmers are connected with the cooperative sector. I would specifically like to say that nearly Rs.7 crore are due from the NJMC to the cooperative sector in West Bengal. Particularly in my district, Rs.2.5 crore are due from NJMC to the cooperative sector.

This is the process of how a Government undertaking becomes sick. This is the attitude of the Government. So, I urge upon the Government on this occasion that a comprehensive programme to revive a sick industry is needed. It is needed since long and it has already waited for years. The public sector enterprise is our national sector. It is repeatedly said not only by me but speaker after speaker that public sector units built our nation since Independence. So, with the slogan 'Save PSU and Save Nation', I would urge upon the Government to come forward to save PSUs.

With these words, I would conclude. Thank you.

">SHRI M.O.H. FAROOK (PONDICHERRY): I just want to make through you to the hon. Minister, only one point. It is a good policy to have disinvestment, but the money you are getting from disinvestment should be invested only in those public sector industries wherein you need money. It should not be adjusted against Budget deficits. I wanted to impress upon the Minister this point.

">A decision had been taken even during other days that disinvestment has to be made. I fully agree with you. But when you are making this disinvestment, the money which you are getting out of disinvestments should be used fully, out and out, in the industries which need it, as per the selection of the Government.

">SHRI G.M. BANATWALLA (PONNANI): This is also the recommendation of the Disinvestment Commission.

SHRI M.O.H. FAROOK : Yes. But it has been said that the Finance Ministry and other Ministries have thought over it that it should be adjusted in the Budget, which I feel should not happen. In fact, if you go through the Budget, you would see that in the Budget, adjustments from the disinvestment have been put into, which should not happen.

">I would like to warn the Minister and through the House, I would request the hon. Minister not to yield to that level. Otherwise, you will be in trouble. This is the only point I wanted to discuss with you and impress upon you. So, please take care of this matter.

SHRI RAMESH CHENNITHALA (MAVELIKARA): Madam Chairperson, I rise to support the resolution moved by Shrimati Geeta Mukherjee. It is a very important resolution. The contribution of the public sector undertakings in our country is great. The public sector undertakings are involved in nation-building activity since Independence. The founder of the modern India, Pandit Jawaharlal Nehru, the then Prime Minister promoted and helped to grow the public sector undertakings in our country. Nobody can forget the major contributions they have made to our country.

">The workers of the public sector undertakings have also contributed a lot to the country. Today, we are living in a changed situation. The effect of globalisation and liberalisation is seen the world over, and India is also a part of that. In the changed environment, it has become difficult for the public sector undertakings to survive. So, in the changed circumstances, we have to evaluate the performance of the public sector undertakings, and we have to induce more strength in these public sector undertakings in order to compete with the other private agencies or institutions or companies.

">As you know very well, the Government is not serious about the public sector undertakings. My colleague has rightly mentioned the reasons for the sickness in the public sector undertakings. We should ponder over the serious lapses on our side which caused the sickness in these industries. The public sector undertakings which were running profitably had become sick. For months and years together, certain public sector undertakings were functioning without Managing Directors or Chairmen. In the last Lok Sabha also, we had raised a question that 14 public sector undertakings were headless and that this inordinate delay in selecting the Chairmen of the public sector undertakings also contributed to the sickness factor. I am not blaming

">anybody. The process is so lengthy that it takes months together to select a Chairman or a Managing Director of a Public Sector Undertaking. It is also causing a lot of problems.

">Nobody can forget about the mismanagement in the public sector undertakings. For example, take the Cement Corporation of India. The amount of corruption and mismanagement are so much that, time and again, it was discussed in Parliament. I was a Member of the Public Undertakings Committee during the Twelfth Lok Sabha. When we had gone into this question, we came to know about certain shocking incidents and transactions. Factories were opened in certain areas where the raw-material was not available; the location of the factory was correct, and the imported machinery was totally defective. So many irregularities were seen in these public sector undertakings. Crores and crores of rupees were mismanaged. In some of the public sector undertakings, there was no effort from our side to modernise them; there was no effort for technological upgradation because there was no capital. The Government has not allotted any money for renewal or technological upgradation. Extravagance on the part of the management is also one of the major factors behind the institutions becoming sick. Nobody was also interested in productivity. At the State level as well as at the Central level, these public sector undertakings have become white horses, and nobody cares about production. Frequent strikes by workers was also one of the main reasons for this. Of course, now, the attitude of the workers has changed, and I agree. For example, take the case of FACT, which is one of the major public sector undertakings in our State. Now, the workers have come together to save the institution. The entire attitude of the workers is also changing and that is a good sign. In certain institutions, the callous attitude of the workers was also one of the reasons for the sickness of some of these public sector undertakings.

">Sir, at the same time the Government agencies also are not giving them proper orders. For example, I would like to cite the instance of the Hindustan Latex which is one of the premier public sector undertakings in our country. They have two units -- one at Trivandrum and the other is located in your State, Madam, Chairperson, that is in Belgaum. These two units are becoming sick. It is because they are not getting orders from the Government. At the same time, the Mumbai based private companies are getting orders from the Union Health Ministry and this Public Sector Undertaking which is running in profit, which has the monopoly in the business and is also supplying to the Health Ministry is not getting orders. Unfortunately, on the other hand, the Health Ministry is giving orders to the Mumbai-based private companies. The products of these two units are piling up in Trivandrum and Belgaum. What will happen to them? After some days these units would become sick.

">Madam, Chairperson, I would also like to cite the case of M/s Hindustan Paper Corporation. It has its headquarters at Calcutta. I do not understand as to why its headquarters should be at Calcutta. But that is a different matter. The management has to interact with the Ministers of various Ministries at Delhi but its headquarters is at Calcutta. Anyway, only one unit, namely, M/s Hindustan Newsprint Limited, which is situated in Kerala, is running in profit. The NEPA Paper Mills have closed down; the Mysore Paper Mills have closed down; the Madras Paper Mills is on the verge of closure, it is still surviving because they are a joint venture unit; the Nowgaon Paper Mills have also closed down. Almost all the other units are sick. Only M/s HNL is a profit-making unit. So, we have requested the Government that it should be separated from the Hindustan Paper Corporation. M/s HNL has got productivity award for three times consecutively. This unit should be separated from the Hindustan Paper Corporation.

">Madam, Chairperson, I would like to make one thing very clear. If there is one unit which is running on profit, then why can we not separate it and make them survive instead of running the other organisations with their profit? After some days, this unit would become sick and it would also have to be closed down. The Mandya Paper Mills have already closed down and there is no chance of its revival. Now, the Government is paying the salaries of the employees of other sick units by taking the profit of M/s HNL. So, my request is that the Government should separate this unit from the Hindustan Paper Corporation so that, at least, this unit can survive. I have requested the hon. Minister to think seriously about this aspect.

">Madam, Chairperson, why is HPC in such a condition? There are a lot of reasons for it. But the main reason is the Newsprint policy which we are adopting. The newsprints are being imported from other countries on zero duty and a lot of imports are being made. Moreover, there are no takers for the indigenously manufactured newsprint. Newsprint is being imported from foreign countries and is being dumped here. Even though Anti-dumping laws exist in our country, yet the Government of India has never invoked this provision to stop such dumpings. Therefore, our indigenously manufactured newsprints are going waste and our paper mills are becoming sick. We are not in a position to compete with the foreign companies in this regard because their cost of production is very low. Newsprints

are coming from Canada and such other countries and we are importing them on zero duty.

">Madam, Chairperson, earlier some protection were given to the Public Sector Undertakings but now no such protection is available to them. I think that the Government of India should take care of the Navaratnas, that is the Public Sector Undertakings which are doing well. The streamlining of the activities of the Navaratnas are very much necessary. Otherwise, after some time these organisations which were once doing well would also become sick.

">The Government has to take stock of the situation and streamline the activities of the public sector undertakings so that they can survive. In the changed situation, the Government should give more preference and protect these organisations because the exchequer had spent crores and crores of rupees on these public undertakings.

">With these words, I conclude.

DR. V. SAROJA (RASIPURAM): Hon. Madam, Chairperson, thank you for giving me this opportunity to put forward a few facts about sick public sector undertakings on Private Members' Resolution moved by Shrimati Geeta Mukherjee.

">Madam, after Independence it was felt that the political independence without economic self-reliance would be detrimental to country's sovereignty and autonomy in policy-making. The basic objectives of starting public sector undertakings were: to build up infrastructure for economic development; to promote rapid economic growth and industrialisation of the country; to create more employment opportunities; to promote more balanced regional development; to create a self-reliant economy through development of local industries by encouraging and promoting exports; to generate investible resources for development by earning suitable reserves; and lastly to prevent and reduce concentration of private economic power.

">Madam, where are we going now? During 60s and 70s, the public sector policy was guided by the industrial policy. Today, the ultimate aim of the public sector undertakings is totally lost on the Government.

">MR. CHAIRMAN : May I interrupt for a second?

">The time which was allotted for this discussion has expired. If it is the opinion of the House, and if we have no objection, we can extend the time to complete the discussion. If everybody is agreeable, I will extend the time by one hour. There are quite a number of speakers and I think we will need at least one hour to complete it.

">SEVERAL HON. MEMBERS: We agree.

">MR. CHAIRMAN: So, the time is extended by one hour.

">DR. V. SAROJA : Madam, to a Starred Question on 18th December, 1998 in the Lok Sabha, the Government had replied that:

">"Sick industrial central public sector undertakings are referred to BIFR for evolving revival/rehabilitation plan. As on 30th September, 1998, sixty-four sick public sector undertakings were registered with BIFR. Of these, revival scheme has been sanctioned in 21 cases of which two Central public sector undertakings have been declared as no longer sick and one has been divested and other are at different stages of implementation. BIFR have circulated draft scheme for eight Central public sector undertakings and 14 cases are under enquiry."

">I would request the hon. Minister to underline that phrase, 'no longer sick.'"

">Madam, is it that the BIFR has become a statutory body? Is it that the Government is depending only on BIFR report to close down all the public sector undertakings forgetting the time taken, the finances invested, and the human resources wasted? I would urge upon the Government to review the composition of BIFR. I understand that out of 14 members in BIFR, at present only three members are to decide about the fate of PSUs of this country.

">Madam, Chairperson, I would like to draw the attention of this august House to a very important and viable pharmaceutical industry at Chennai. I am a doctor. I am a professionalist prescribing the drugs of IDPL. I know the standards of this drug company. My point is that out of Rs. 2 lakh crore of the Annual Budget of the Government of India, is it that difficult to earmark even only Rs. 8 crore to Rs. 10 crore for the revival of this IDPL pharmaceutical industry at Chennai?

">The BIFR report has been submitted. All the conditions referred to by the BIFR had been adequately scrutinised. The plant was hived off and the following sacrifices were to be made by the workmen as per the package for the rehabilitation:

">- the man-power strength was reduced from 1200 to 325;

">- accepted revised work norms and responsibilities in all categories to shoulder additional workload due to reduction in strength;

">- accepted job enlargement under multi-disciplinary system including redeployment with suitable training;

">- accepted to keep in abeyance the wage revision for the first four years of the revival plan; and

-accepted for postponement of LTC facilities and conveyance allowance.

Madam, I do not find any reasons as to why all these conditions were to be put.

IDPL is one of the standardized companies. Its Unit at Chennai has the capacity to produce drugs, tablets, capsules, surgical instruments and fabrication of hospital equipment. It caters not only to the State of Tamil Nadu but also Pondicherry. It produces not only the surgical equipment but also other appliances in the medical field with ISI specifications. In its quality, it is number one. The

plant maintenance is also of the international quality.

Madam, as proposed earlier, to keep the prices under the control of the Government of India as also to help the plant to survive, this plant can be put under the Department of Health and Family Welfare.

Madam, I would also like to draw the attention of this august House that during the previous Government's regime, the then Minister, Sardar Surjit Singh Barnala inspected this Unit and had promised that he would help us for its revival, but I am sorry to say that this Government is taking a different attitude as far this Unit is concerned. But at the same time, the drug industries which are situated in Hyderabad, Rishikesh and Gurgaon were rehabilitated to the tune of Rs. 1,000 crore. My point is that why has the IDPL Unit at Chennai been given a step-motherly treatment? In order to avoid the regular and frequent use of spurious drugs in the market also, it is necessary to have this Unit revived.

Madam, Chairperson, I am not able to find any reasons as to why this Government is giving a step-motherly treatment to this Unit. Just because it is situated at Chennai, is it that the Government of India not accepting the revival plans relating to this Unit?

I once again urge upon the Government to kindly to revive this Unit. I would also urge upon the Government to give the regular salaries of the workers working in the plant and see that this pharmaceutical company is included, along with other IDPL Units, in the Government of India List for market survey.

I am coming to another area. In Tamil Nadu, we are facing a crisis in the textile industry. The textile industry which contributes over 30 per cent to forex earnings accounts for 20 per cent of industrial production and contributes 9 per cent of GDP and provides millions of jobs and it has been passing through a critical period for the last two years. The major problems encountered by textile units are demand recession, liquidity crunch, unhealthy competition on account of excise evasion, sagging exports following East Asian currency turmoil and surging imports of textile products.

The textile industry started in the year, 1968 with 119 mills all over the country and out of nine subsidiary Units, eight have been referred to BIFR, but till now the BIFR has not come out with any final solution to the problem.

The industries which have made some development and progress, have already become sick. It is something unimaginable. Where is the flaw? Why are the industries going sick? Why then have we started the industry at all? Are we to allow those industries to become sick? This is a point of doubt. The hon. Minister should see that a continuous Monitoring Cell is set up in every public sector undertaking constituting a Body with the Managing Director of the Unit, the Managing Director of the financial institution and also the

Secretary to Industry and Commerce to advise and to monitor the sick units. There is no point in allowing the Units going sick. The revival of those sick industries is the problem which we are facing today.

The Government is making undue delay after the report of the BIFR and that has added fuel to fire. In the case of NTC, the implementation of Turn Around Strategy as approved by the Government of India in 1995 was dependent primarily on the resources available after disposal and replacement in and around mills and it has not so far materialised. This undue delay is highly condemnable. It was assured during the visit of hon. Minister for Textiles in the year, 1998 that the revival of NTC-run mills would be given top priority. I urge upon the Government to give a serious thought to it.

Before I conclude, I would like to say that most of the composite textile mills are in a bad shape. It has been estimated that the fund required for updating these mills in two phases would be Rs.2,500 crore out of which Rs.1,780 crore would be raised through sale of land of 25 mills. Then why should there be a delay? Why is the Government not taking immediate steps in this regard?

I would like to say that Government should not privatise everything in the name of globalisation and liberalisation. I urge upon the Government to revive IDPL Units at Chennai and Gurgaon.

"**डॉ. रामकृष्ण कृष्णमरिया (दमोह) :** सभापति महोदय, श्रीमती गीता मुखर्जी द्वारा जो गैर सरकारी विधेयक पेश किया गया है, उसमें सरकारी क्षेत्र के रुग्ण यूनिट्स के बंद होने पर चिंता व्यक्त की गई है। वास्तव में यह हमारे देश के लिए दुर्भाग्यपूर्ण स्थिति है। आज सारे भारत में जहाँ एक ओर रोजगार की समस्या है, हमारे नौजवान गली-गली में काम की तलाश में घूम रहे हैं, गांवों से पलायन हो रहा है, लोगों को काम नहीं मिल रहा है, ऐसे समय यदि इस प्रकार ये उपक्रम बंद होंगे तो रोजगार की समस्या और ज्यादा बढ़ेगी। इन यूनिटों के बंद होने के कारण हमारे देश में प्रोडक्शन पर भी फर्क पड़ेगा। इसके पीछे कुछ ऐसे कारण हैं, जिनकी वजह से यूनिट्स रुग्ण हो रही हैं - उसमें प्रमुख प्रबंधन है।

"**अबंधक यदि कारखाने में काम करने वाले लोगों को भी उसमें भागीदारी दें, उन्हें जिम्मेदारी दे तो निश्चित रूप से ये रुग्ण इकाईयां उबर सकती हैं। उनमें काम करने वाले लोगों को उनका शेयर भी देना चाहिए, जिससे उनका इन यूनिट्स से लगाव बढ़ेगा और ये संस्थान बंद नहीं हो सकेंगे। यदि सरकार ऐसे कुछ सुधार करने की हिम्मत करे तो ये रुग्ण इकाईयां ठीक हो सकती हैं और देश में एक अच्छा माहौल बन सकता है। इसलिए मैं इस मौके पर श्रीमती गीता मुखर्जी को धन्यवाद देना चाहता हूँ कि उन्होंने एक अच्छे ज्वलंत प्रश्न को देश हित में सदन के सामने रखा है। उस पर सरकार को विचार करना चाहिए और वर्तमान समय में रोजगार के अवसर ज्यादा से ज्यादा बढ़ाने का प्रबंध करना चाहिए। इतना कहकर मैं अपना वक्तव्य समाप्त करता हूँ। श्री मोहन रावले (मुम्बई दक्षिण-मध्य) :** सभापति महोदय, मैंने इस विधेयक पर बोलने के लिए अपना नाम दिया है। कृपया मुझे बोलने की अनुमति दी जाए।

">

"**सभापति महोदय :** श्री अजय चक्रवर्ती आ गये हैं, तब तक आप तैयारी कर सकते हैं।

">

SHRI AJOY CHAKRABORTY (BASIRHAT): Hon. Madam Chairperson, I wholeheartedly support the Resolution which has been initiated by our senior colleague, Shrimati Geeta Mukherjee.



">I hope, all the Members cutting across party lines will support this Resolution and adopt this Resolution wholeheartedly because it is a question of survival of our country. It is a question of life and death for thousands and thousands of workers employed in those public sector undertakings and are on the verge of retrenchment.

">Under the leadership and initiative of Pandit Jawaharlal Nehru, who was a great statesman of our country, the then Government adopted the policy of socialistic pattern of society. During that very period, the Government took up building heavy industries and public undertakings for self-reliance of our country, thus creating employment scope for the unemployed youth of our country. So, the big steel industries such as those at Durgapur, Bokaro, Bhilai and Rourkela, the Sindri Fertilizer Factory and Chittaranjan Locomotive Works were built under the initiative of the Government and thousands and thousands of young men of our country were working efficiently in those industries.

">We are proud of those industries. It is a pride of our country. The Chittaranjan Locomotive Works is constructing and manufacturing high standard engines for Railways. It is not bad in quality comparing other countries. But at present, after the globalization or liberalization policy of the Government, these public sector undertakings are ruined day by day.

">Except Bhilai Steel Plant, all other big steel industries are now running in losses. Many colleagues have mentioned the names of other public sector units and I need not mention the names of the PSUs which will take much time of the House.

">We are proud of `navaratnas`. But at the present juncture, there is a policy of the Government whereby the `ratnas` are being removed from the `crown`. They have thus become `crownless navaratnas`. So many different industries are there like jute, textile, tannery, etc. They are now sinking or being ruined day by day. The cotton industry or the textile industry are one of the most important industries of our country. Gujarat is the Manchester of India.

">1547 hours (Dr. Laxminarayan Pandeya in the Chair)

">Not only in Gujarat, Maharashtra, Tamil Nadu, West Bengal and Uttar Pradesh, but all over India practically, the textile industries or the cotton industries are very important industries of our country. But those industries are now being ruined and becoming sick day by day.

">If you take the jute industry, West Bengal, Tripura, Assam, Bihar and Orissa are the States which are jute-growing States. But mainly the jute industries are situated in West Bengal, on the banks of Ganga and on both sides of the Bhagirathi river. Jute mills are situated there. Thousands and thousands of workers from Bihar, UP, Madhya Pradesh, Orissa, Assam and other States are working in those jute mills. Now, all the jute mills are being closed and thousands and thousands of workers are out of job. They are now living under the blue sky with their families. Some of the workers committed suicide due to unemployment which is again due to closure of jute industries.

">Let us come to other industries. Kanpur is industrially a big city of Uttar Pradesh. Tannery is very famous in Kanpur. Now Kanpur has become a ghost city. It is now destroyed. If you visit a tannery, you will see that there is only sheds and no employees. No person is now working there. Now it has become a ghost tannery in Kanpur. Same is the case with industries in Gujarat and Maharashtra. In Tamil Nadu, Coimbatore is a famous city for textile industries. They are now becoming sick and being ruined.

">IDPL is one of the medicine manufacturing companies. It is one of the public sector undertakings of our country which has its units in Tamil Nadu, Andhra Pradesh, Maharashtra, West Bengal and most other States of India. Now, IDPL is becoming sick day by day and the employees of IDPL are coming to Delhi and participate in dharna. Every year we are witnessing that these people are coming from Andhra Pradesh, Tamil Nadu, Maharashtra, West Bengal and other States to Delhi, participate in dharna and meet the Prime Minister.

">The Prime Minister also gives an assurance that he would look into the problem, but nothing happens. There is no result. My colleagues have mentioned many things on this issue and I would not like to repeat them. I would like to say that the Government should change its policy. The Government should come forward and take measures to revive the sick public sector undertakings. The workers who are on the verge of retrenchment should be saved. In the Question Hour, a question about the ECL was raised. It is the oldest and the biggest coal industry in our country. Seventy thousand employees are on the verge of retrenchment and they are going to lose their jobs. What would happen to them? It is the Government's duty to provide them jobs. It is an obligation on the part of the Government to provide jobs for those who are working in the public sector. As we all know, unemployment problem is one of the greatest problems in our country. If the Government is silent, then what would happen to our country? The Government of India should come forward and take measures to save the sick public sector undertakings and its employees.

">With these few words, I conclude. Thank you.

SHRIMATI MARGARET ALVA (CANARA): Mr. Chairman, Sir, I think we have come to the end of a very interesting and a very telling debate on the public sector. I have been one of those who have served the Committee on Public Undertakings. We have analysed the problems being faced by the public sector in various fields. I must say that most often we tend to blame the public sector for all the problems that it is facing, forgetting the pioneering role it has played in this country in various fields. In areas, in places where the private sector was not prepared to invest, the Government, in the early years of Independence built the public sector and laid the foundation stone for industrial growth and development. It has played a pioneering role in the social sector as well. The social priorities of the public sector cannot be ignored. Over the years, due to various reasons, the public sector has run into problems. There has been no investment when it is most needed, there is no modernisation and no effort at keeping the profitability as the main purpose. I have been in Government and I was involved in the process of selecting the Chairmen and personnel for the public sector undertakings. I have seen the problems that are faced by the public sector undertakings. Most of those who are involved in the selection process belong to everywhere but the public sector. There is no commitment in selecting the right people. The public sector positions, whether Directors or Board Chairman, are tend to be filled up by the retired bureaucrats or the bureaucrats who have not been empanelled or those who do not want to leave a particular place. There is no permanent commitment, interest or responsibility.

They are appointed for three years and they get all the benefits even though the undertaking is incurring losses, but they are not held responsible for what has happened. These people go back either to some other Department or to the Government itself. This has been the bane of the public sector undertaking. The Chairman and other technocrats have repeatedly complained to me that they had to wait for two or

">three days in the corridors of power for getting an appointment with the Joint Secretary or a middle level officer to get something passed or to get some little things cleared.

">This kind of a dual control from the Ministries on the public sector has been the bane of the public sector. There is no point blaming them. They have not been allowed to function commercially. They do not have the autonomy to take decisions and required clearances have never come in time. Besides, there is dumping, as I said, of unwanted people on the public sector. Even the Public Sector Enterprises Board, has not had people from industry in the selection process to be able to say that they need these kinds of people with them. The public sector somehow has not been cost-effective. There has been no competition over many years in this country. They were in areas where there was no competition. The Government did not allow foreign companies to operate and so, there was complacency. But, more than that, there was over-staffing of the public sector to please all the powers that be. The Ministers want the people appointed. Members want the people appointed. The Chief Ministers want the people appointed. So, this attitude of "please all" has dumped into the public sector staff and the people who are really redundant. I think rationalisation and modernisation are what the public sector needs rather than closing down as a blank kind of a decision. Policy changes have come. We were in Government, I agree because every time when something happens people say that it happened during Shri Narasimha Rao Government. We were in Government. We had discussed the issue. BIFR was established so that there would be a support system for revival, investment and help to undertakings which were in trouble because as we opened up, there was a competition.

">The hon. Minister has been in the Government for the last two years. I have written to Shri Sinha. BIFR comes under the Ministry of Finance. I have been to the Chairman of the BIFR pleading that cases be heard. Once the Chairman told me to do something. He said that he was the Chairman and he had one more member on the Board. They cannot even constitute a Bench because minimum of two members are required to constitute a Bench. In the entire BIFR appointments are just not made, as was just pointed out, 14 members were to be appointed and today we have only three. The Government is telling the world and the country that it is involved in reviving and helping the units which are sick. How can the BIFR even function if you are not even serious about appointing people? Why cannot these retired bureaucrats at least be appointed? They want to be the Chairmen of certain companies. If nothing else, they can at least work on BIFR. That has not been done. This whole sham of saying,

">श्री.आई.एफ.आर. को रैफर कर दिया,

">

">means, the moment a company is referred to the BIFR, it has to be closed down because the banks stop financing saying,

">श्री.आई.एफ.आर. को गया है, इसलिए पैसा नहीं देना है।

">

">Everybody withdraws the moment it goes to the BIFR because they know it is the end of the story.

">उधर से कुछ आने वाला नहीं है, कुछ लेने वाला नहीं है।

">

">So, nobody is prepared to bail out a company which goes to the BIFR.

">I can give you any number of examples. So many companies have been mentioned. But, I must say about the dues to the public sector from public sector and the State Government. Take for instance the coal. There are losses in the coal industry. The electricity boards do not pay their dues for the coal which has been supplied. You cannot stop supply because immediately there will be a crisis. If you look at their balance sheets, the dues from the public sector itself are being paid to them by the Government by some ways and means so that they have the money to revive. They have the property which can be sold, re-invested, modernised and made to function.

">Today, I must say at the cost of objection from my friends in the Left, the Unions at last have begun to become very responsible as far as the revival is concerned. NTC was mentioned. I was in the Committee which was set up by the Government of India to work on the revival package for the NTC. We tried to negotiate. The Unions were there. Without meaning offence, there were two units which were always running into loss. The Units in the South were making profits. All the money that came by way of profits from the working units in the South went to pay the salaries, bonus and everything else which was demanded in Bengal and I think Bihar. When we asked them to close down the units which were not working, as was said just now, and let the other Units work, there was a hue and cry in Bengal and everywhere.

16.00 hrs.

The people in the South kept saying that why they should be giving a profit because they are suffering at the end of it after all the work that they are doing. In fact, when a Minister went to one of the public sector undertakings, he was greeted with a banner saying, "We are paid to come to work, give us overtime to do the work" as the overtime had been stopped. These were the slogans at one time. But today, the Unions are prepared to cooperate, to give up a lot of their demands, and to help. I think, a time has come when the Government should get the Unions, the management and the Government representatives together and see how revival can be done.

Now we have opened up. Suddenly you are asking the public sector to meet the competition of companies who have been in the field

for hundred years or more, who have the scales of production and who moneys to invest. They want to take over your good companies. They are not interested in your loss making companies. They are going for your Navratnas and for your good companies. Wherever they come, they will discharge your staff saying that they are over-staffed, and then try to run it their way. You are going to have more unemployment and other problems. Remember, when you talk about the public sector employees, you are talking about the whole families who are going to be on the streets. In my own Constituency, there is the Indian Plywood Company. Sir, four of the employees have hanged themselves in the premises of the factory not having anywhere to go and work. Their families are starving. Not only that it is before the BIFR for four years without a single hearing. I have been pleading for them. The workers are saying that they are dying, the BIFR does not come forth, the company is closed, the assets are being disposed of and there is no one to talk for them. If this is the condition, I feel that the Government today should take a stand and say that they will see what can be done. Instead of just being negative about it and saying that you meet the competition of the international companies will not help. I think you have to give some protection to some extent because after all this is a taxpayers money which has been invested. But you cannot just dump it and say that they will have to be closed down. There is a way of reviving them and I think we have to do it.

Sir, just one or two last points I am making regarding ITI, HMT and the paper industry. The HMT was the pride of this nation. Today, you do not even want to give minimum orders from the Government Department to HMT to survive. Ancillary units are being closed. HMT means hundreds of others who have invested in small scale ancillary units and all that was built around it.

Same is the case with the telephone industry. Today, we are talking big. The pioneering effort ITI made in Bangalore was something which brought telephones to our door-steps. Today, we want to condemn it as something which cannot work. Worst of all are the paper mills. Sir, we have the capacity to run the paper mills. Outside companies are being allowed to dump paper in this country and even the newsprint because there are lobbies which say that they want to import. There was a time when 30 per cent could be imported and 70 per cent have to be bought in the Indian market. We fought against it and Shri Chidambaram lifted that and said that they will not allow it. But I am told after the Government went, this has been again allowed. Sir, today foreign paper might be cheaper. Your companies will close down. Tomorrow, when they raise their prices and charge what they want they will have no competition from within the country because all your domestic industry has closed.

Therefore, I would like the Minister to take a long term view on this and not just ad hoc policy on the functioning of the public sector. Shrimati Geeta Mukherjee has been pioneering in fighting for the interest of the workers and the public sector. I respect the work she has done in the field. I am not a trade union of her standing. But we have also been fighting for the rights of workers in the public sector and in the sick units. I totally agree with her that the Government needs to come with a package and a long term policy and not be victims to international companies and multinationals in the name of opening up, liberalisation and working with the world, and so on. Ultimately, we are respected only when we are economically self-reliant and strong enough to meet the challenge from outside. That means reviving our companies and allowing them to function.

">श्री मोहन रावले (मुम्बई दक्षिण मध्य): सभापति महोदय, मैं आपका ज्यादा समय नहीं लूंगा। पब्लिक अंडरटेकिंग्स घाटे में क्यों जाती है, इसके बारे सभी लोग यहां चर्चा कर रहे हैं। मैं बरिष्ठ सदस्या श्रीमती गीता मुखर्जी को धन्यवाद देना चाहता हूँ कि वह बार-बार यह मामला यहां उठाती हैं। मैं इस सम्बन्ध में अपने कुछ सुझाव देना चाहूंगा।

">

">एनसिलररी यूनिट्स जब घाटे में जाती हैं तो इसकी जांच होनी चाहिए। प्रष्टाचार करने वाले अधिकारी प्रष्टाचार करके निकल जाते हैं, उनकी भी जांच होनी चाहिए और उसके बाद सी.बी.आई. द्वारा जांच कराई जानी चाहिए। मेरे क्षेत्र में सबसे ज्यादा टेक्सटाइल मिल्स हैं। जब आधुनिकीकरण का प्रपोजल लाया गया था तो उस समय कारण बताया गए थे कि मिसमैनेजमेंट हो रहा है और करप्शन हो रहा है। मूलपूर्व कपड़ा मंत्री वेंकटस्वामी जी ने यहां कहा था कि एन.टी.सी. की मिल्स प्रष्टाचार की वजह से घाटे में जा रही हैं। मेरे क्षेत्र में जो कपड़ा मिल्स हैं, मैंने उनकी जांच की तो पाया कि दस रुपए मीटर वाला कपड़ा सेकंड क्वालिटी का कहकर सात रुपए मीटर में बेच दिया गया। इसी तरह से मशीनों के स्पेयर पार्ट्स सेकंड क्वालिटी लगाए जाते हैं, जिससे मशीनें सही काम नहीं कर पातीं और खराब हो जाती हैं। टेक्सटाइल मिल्स की ऐसी हालत है कि उनके पास रॉ-मेटिरियल नहीं है, कपास नहीं है और बकिंग कंपिटल भी नहीं है। वर्तमान केन्द्रीय मंत्री जी महाराष्ट्र के मुख्य मंत्री भी रह चुके हैं। इनकी जानकारी में यह सब था, इन्होंने उस समय रुचि भी ली थी।

">

">अभी यहां तमिलनाडू की माननीय सदस्या सरोजा जी और मार्गरेट अल्वा जी ने भी यह मुद्दा उठाया और कहा कि सरकार का जो २००५ करोड़ रुपए का आधुनिकीकरण का प्रपोजल है, उसका क्या हुआ। मिल्स के मजदूर खाली बैठे हुए हैं। वे काम करना चाहते हैं, लेकिन सरकार कपास नहीं दे रही है। मेरा निवेदन है कि उनको रॉ-मेटिरियल और बकिंग कंपिटल जल्द से जल्द मिलनी चाहिए।

">

">मेरे क्षेत्र में रिचर्डसन एंड क्रुसडन नाम की मिल है, उसका मैमोरेंडम मेरे पास है। मैं उसमें से दो-तीन बातें बताना चाहता हूँ। इसकी एक शाखा मुलंड में भी है। वहां के मजदूरों को सितम्बर, अक्टूबर और नवम्बर का वेतन नहीं मिला है, बोनस की तो बात ही छोड़ दीजिए। हमने यह मैमोरेंडम मंत्री जी को भी दिया है। उसमें कहा गया है कि वहां के दो अधिकारियों की वजह से यह कम्पनी घाटे में जा रही है, इसकी जांच होनी चाहिए। जिनके बारे में हमें शक है, सी.बी.आई. के द्वारा उसकी जांच करानी चाहिए। अधिकारियों के कारण ज्यादातर यूनिट्स घाटे में गई हैं। मूलपूर्व कपड़ा मंत्री वेंकटस्वामी जी ने कहा था कि अधिकारी प्रष्टाचार करते हैं और करोड़ों रुपए कमाकर चले जाते हैं। हमारी मांग है कि इसकी जांच होनी चाहिए। मैं केन्द्रीय मंत्री जी से विनती करना चाहता हूँ कि एन.टी.सी. की मिल्स जो मेटिरियल बनाती हैं, कपड़ा बनाती हैं, वह सारा मेटिरियल सरकारी विभागों में लेना चाहिए।

">

">इन यूनिट्स का सारा कपड़ा रेलवेज और दूसरे विभागों में लिया जा सकता है। इतना होने पर भी मिलें घाटे में जा रही हैं। इसी प्रकार हिन्दुस्तान आर्गैनिक कैमिकल्स कम्पनी है, इस कम्पनी के चेयरमैन की भी जांच होनी चाहिए, इन्होंने लाखों-करोड़ों रुपया फारन-ट्रिप पर खर्च किया है। इस बारे में भी मेरे पास मैमोरेंडम है और इसमें बहुत से इल्नाम लगाए गए हैं। यह यूनिट भी घाटे में जा रही है। ये सब कागज में माननीय मंत्री जी को दे दूंगा और उनसे निवेदन करूंगा कि वे इसकी जांच करावें। एक कम्पनी सिंधिया वर्कशॉप है, यहां के कर्मचारियों को पिछले छः से वेतन नहीं मिल रहा है। यह मामला सदन में मैं कई बार उठा चुका हूँ। माय्रेट आल्वा जी ने

">

">BIFR

">की बात कही है। यह सही है कि

">

">BIFR

">में बहुत से मामले लम्बित हैं। इन मामलों का जल्दी से जल्दी निपटारा होना चाहिए। पब्लिक सेक्टर यूनिट्स को एन्सीलरी यूनिट्स सस्ते भाव पर माल दे सकती है। कोरिया जैसे देश में एन्सीलरी यूनिट्स ने बहुत तरक्की की है। इनको बैंकों से कम ब्याज पर लोन दिया जाता है, यदि यह सुविधा हमारे यहाँ उपलब्ध हो जाए, तो हम भी सस्ते भाव पर माल दे सकते हैं।

">

">इन शब्दों के साथ, मैं अपनी बात समाप्त करते हुए, आपको धन्यवाद देता हूँ कि आपने मुझे बोलने के लिए समय दिया। मैं अन्य मुद्दे भी उठाना चाहता था, लेकिन सदन का ज्यादा समय न लेंते हुए, इन कम्पनियों में जो मिसमैनेजमेंट है, उसकी ओर ध्यान देते हुए, जांच कराएँ - यही मैं माननीय केंद्रीय मंत्री, श्री मनोहर जोशी, से विनती करता हूँ।

">

">MR. CHAIRMAN : Shri Mohan Rawale, kindly hand it over to the hon. Minister.

\*SHRI A.P. ABDULLAKUTTY (CANNANORE): Respected Chairman Sir:

">I rise to support the resolution moved by respected Smt. Geetha Mukherjee. The emotions which prompted such a resolution is, no doubt, the importance we attribute to our public sector and the concern for the workers and their families.

">Our country has a culture of its own and our traditions encourage a mixed economy. But the policies of liberalisation, globalisation and privatisation followed by the government have accelerated the sickening of the public sector undertakings. We see the fall out of such policies in the form of ever increasing sick, unviable units. Though factors like lack of modernisation and technological upgradation do contribute much to this plight, as pointed out by other speakers, the new economic policy, is, according to me, the real cause. These policies give undue boost to the private sector at the cost of public sector. This trend will prove disastrous to our country and will go against the interests of a mixed economy. In order to uphold our tradition and to enliven our sick units, I request the government to have a more lenient and considerate approach to the public sector undertakings. I once again thank my esteemed colleague Geetaji, who is very dear to the Indian working class, for voicing her concern for the poor workers and their families and extend my full support to the resolution

">Thank you.

">-----

">\* Translation of speech originally delivered in Malayalam.

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI MANOHAR JOSHI):

">Mr. Chairman, Sir, I am indeed thankful to the hon. Member, Shrimati Geeta Mukherjee, for moving an important Resolution in this august House. This Resolution is mainly concerning the public enterprises. It is also concerning mainly the problems of workers working in these public enterprises.

">I must say that I am also thankful to all the Members who have participated in the debate. I am sure that their participation in the debate will be very much useful to me while taking decisions in my day-to-day working.

">It is true that when these public enterprises were started by the late Prime Minister of our country, Pandit Jawaharlal Nehru, had the best of intentions. His own intention was to make our country economically strong and sound. His intentions were very honest. It is also true that, to a certain extent, some public enterprises have really worked in the spirit in which Pandit Nehru wanted us to work. They have been working successfully.

">As admitted by some of the Members, it may not be right to say that all the public enterprises are bad. Therefore, I was very happy that one of the Members, while expressing his thoughts in this House, mentioned about the categories of public enterprises. He did mention that some of the public enterprises are in the category of "hexagon" - "Navratnas". I must say that some of the public enterprises are also better than the private enterprises. There are some enterprises which are running in losses. I have also with me the figures about investments and other necessary information.

">There were about 240 central PSUs on 31st March, 1998 and the total investment was about Rs.2,40,054 crore. Out of these 240 central PSUs, 236 were in operation and four were under construction. During the year 1997-98, 136 PSUs earned a profit of Rs.20,267 crore. One hundred PSUs incurred a net loss of Rs.6,542 crore and two enterprises neither earned any profit nor incurred any loss. Thus the PSUs as a whole earned a net profit of Rs.13,725 crore during the year 1997-98.

">This shows that the general impression which is being created that the public enterprise means a loss is also not absolutely correct. I do not deny that this is our responsibility that whatever public enterprises are running at a loss, they are also to be brought in on the profit making PSUs. But it is the responsibility of all of us to improve upon the image of our own public enterprises.

">Sir, I have seen that some times, we ourselves may be also responsible for damaging the image of our own public enterprises.



Therefore, I really read the Resolution of by Shrimati Geeta Mukherjee again and again. She has certain points which she had made in her Resolution. The first point that she made was that she expressed her concern over the increasing number of public sector undertakings falling sick and the Government's decision to close down 12 such undertakings, resulting in a loss of employment to thousands of workers and non-payment of their wages. She also expressed her concern about the disinvestment of public sector undertakings including even the profit making undertakings. Therefore, she has urged the Government to take certain steps.

">Firstly, she has asked to stop closure of sick public sector undertakings; secondly she has asked to take steps to revive the viable sick public sector undertakings and to formulate a comprehensive policy to improve the functioning; thirdly, to review the disincentive policy; fourthly, to make immediate payment of dues to employees; and lastly, she has asked to frame a policy to rehabilitate the ousted workforce due to closure.

">At the outset, I must make a clear statement in the House that no closure as such has been made in public sector undertakings. It is true that a number of cases are found to be sick, and they have been sent to the BIFR. But when the matter goes to the BIFR, in case of a public sector, it has the desire to revive and not to close down.

">I am sure that the hon. Member is also aware that last time when such desire was expressed by the BIFR to close down the public sector undertakings, which were ten in number, a Review Committee was appointed by this Government because the Government's intention is quite clear that as far as possible, we would not like to close the public sector undertakings.

">But at the same time, the Government also desires that a certain definite policy will have to be found out with regard to disinvestment. As regards disinvestment, the policy has been declared by the Government and which we are following now.

">The first question which was mentioned here about the closure of the public undertakings. It is not that the public undertakings are going to be closed without making best of its efforts to keep them working. The intention here seems that we must take care of the workers. The rehabilitation of the workers should be given maximum importance which is also being done.

">What is required according to me is the crystal clear approach to the problem.

**समापति महोदय :** इस संकल्प पर दो घंटे का समय निर्धारित हुआ था। बाद में एक घंटे का समय बढ़ाया गया था। अब वह समाप्त होने को है। अगर सदन सहमत हो तो माननीय मंत्री जी के उत्तर और श्रीमती गीता मुखर्जी के उत्तर तक समय की अवधि बढ़ा दी जाए।

">

**बहुत से माननीय सदस्य :** समय बढ़ा दिया जाए।

">

">SHRI MANOHAR JOSHI: Therefore, a very clear approach of the Government can be made on this issue only because of this Resolution and, therefore, I am indeed thankful to her once again for raising this issue in this august House.

">Sir, the policy of the Government is quite clear. The Government's concern is to ensure that the PSUs are strengthened. We do not want to be condemned because they get slowly closed, that is not the intention of the Government. Secondly, the action is expedited to revive loss making and sick PSUs with minimal hardship to employees. I know there may be some hardship to the employees, but we feel that, as far as possible, there should be no hardship to the employees and the revival has to be done. Thirdly, the dues of employees are not withheld. Fourthly, when structural changes becomes necessary, the transition is not painful. Lastly, disinvestment is accompanied by reinvestment or redesigning the economy.

">Sir, I made these points only because I always felt that the Government must be clear in its own mind as to what the Government desires to do. This clearly indicates that the Government is not puzzled. The Government has no two thoughts. The Government has decisively decided to strengthen these PSUs. At the same time, I think that the question raised by a number of hon. Members here is as to why these PSUs are becoming sick; what are the reasons for these PSUs becoming sick.

">I found ten reasons as to why these PSUs have become sick. There may be some more reasons or I may have to add some more reasons after I have heard the hon. Members in this House.

">I must also say that it is not something the the public sector industries become sick. We all know and particularly those who are in the business or industry know that even private industries become sick. Not that only the Government industries are becoming sick or only the Public Sector Undertakings are becoming sick, but the private industries are also on the way of closure today. They are also facing problems. When we meet them, they are also telling us the effects of the recession all over the world. Also a number of other reasons might be equal to the weakening of the public enterprises.

">Since we are discussing about the PSUs, I would only say about the ten reasons which we have noted.

The first reason is obsolete technology. The technology that is available in our country today has become probably the old technology and the new technology is taking shape every minute outside our country. It may be easy to say, why do you not bring in that new technology to our country. But, Sir, it may not be possible in practice to bring technology every day in our country. It has not become possible even for the private enterprise to bring technology with the speed with which they want to bring it to our country.

I myself visited the HMT, about which a reference was made here. I went to Bangalore and tried to see the HMT factory. Pandit Jawaharlal Nehru had said: 'HMT is the jewel of our country'. I must say that it is really the jewel of our country. But HMT is also suffering from losses. The loss is about Rs. 300 crore. If someone goes and sees the Head Office of the HMT or other units, we certainly say that we are proud of the company like HMT even today. I am talking about the watch manufacturing unit of HMT. The world is going so fast with new technology; the way in which they manufacture watches and the speed with which we manufacture watches, it makes a difference. None should feel that we are incompetent or our workers are incompetent to manufacture the best possible

watches in our country. Even in our country, there is another company, I do not like to take the name here, which is also manufacturing very good watches. So, it is true that the technology, which is at present in the PSUs, has to be replaced. But, as rightly said, if they were not in a position to give wages or salary to the workers in some cases, how can we infuse more money for bringing new technology in these companies. Sir, the only way out was disinvestment, which was adopted to find out a new technology, to bring in the new technology and with the help of the new technology we will be able to compete in the world market.

The other reasons are lack of economy of scale in manufacture; prolonged insulation from competition; availability of cheaper and better products from imports; and lack of orders.

Since when the public enterprises were started, it is true that in some cases, there was the guarantee of orders. For instance, the railway wagons. There were public enterprises which were manufacturing only wagons. But now, the wagon-manufacturing will always depend on the requirement of Railway Department and if their demand comes down, then they will not ask for wagons, the wagons will not be manufactured and the particular Public Enterprises Department comes into a great difficulty. I have given only one illustration but a number of illustrations of this nature can be given.

Regarding low productivity and surplus manpower, Sir, it is true that I would urge upon the entire House to understand that the very designs of the public enterprises and the private enterprises are different. The public enterprises have a social angle behind the work. Public enterprises do not work only for profit purposes. They also want to consider the aspect of employment in the country. When it was a monopoly business, they could do it and they could prosper. The decision on the excess manpower was also taken, maybe, at the request of the representatives of the people from different parts of the country. Maybe, it is because the people at that time thought that the company may prosper in future and, therefore, the excess manpower was inevitable, because that decision was taken from the angle of social aspect also.

Now, to go ahead with this particular manpower has become a difficult task and, there, the role of the Unions is also important. I have always been saying that if we, all of us, really desire to improve upon this public enterprises' business, it is not impossible to do that. But, then the cooperation from all sections will be necessary including the Unions and their leaders. The surplus manpower has also created a lot of problems.

Even in case of disinvestment, the people always ask, how many people are working. In some cases, they say this work does not require even the one-third force of what is employed today. When the question comes up for reducing the people over there, it becomes really a difficult problem, and, therefore, the disinvestment work is also not going ahead with the speed with which we really wanted it to go ahead.

I would not like to go into the social overheads and commitments but there are social overheads and commitments in these companies. When some of my friends were talking of corruption in public enterprises, they have just forgotten that corruption is not only in public enterprises but it has also gone into all the spheres of life. I am not defending corruption in public enterprises. If anybody gives the concrete example, I will see to it that to that extent it is stopped. But at the same time, it is everywhere. Therefore, it has become really a very difficult task.

Regarding gross neglect by erstwhile private-owners of those Units which the Government was compelled to take over in public interest, Sir, if you go into the details, you will find that at least 30 per cent to 40 per cent of the public enterprises were taken under coercion. That coercion was in public interest. Somebody did not want to keep them. Therefore, we have taken them. We did not go into the details whether in future we will run this in profit or whether this will create problems for us. Whether it is necessary to take such type of decision, I must say that no private persons would have taken these type of industries which are risky to take, which are from the point of view of business, are not advisable to take, but they were taken. The Government decision, at that time, was not bad. Therefore, it is also not good now to criticize the Government because we have taken that responsibility at that time. At that time, we all appreciated.

Now, only the people who are in the textile units -- Shri Mohan Rawale will understand -- came and asked us that the NTC must be taken over and all the sick mills should be taken over.

If you ask the Government to take such measures in the interest of protection of workers and thereafter if we are unable to run the mills, how can the Government be held responsible for such activities? It is beyond the control of the Government to run such type of mills and so is the case with the enterprises also...(Interruptions)

**श्री मोहन रावले (मुम्बई दक्षिण-मध्य) :** सभापति महोदय, मैं माननीय मंत्री जी से एक विनती करना चाहता हूँ कि वस्त्र मंत्रालय द्वारा जो पैकेज डील लाया गया था, सरकार उसे पूरा क्यों नहीं कर रही है। उसकी वजह से सारी मिल्स चल सकती हैं। इस पर आप शीघ्र गति से कार्यवाही करें।

**श्री मनोहर जोशी:** मैं शीघ्र गति से कार्यवाही करूँगा, लेकिन आपके प्रश्न का जवाब शीघ्र गति से नहीं दूँगा। जब मैं उस पेपर पर आ जाऊँगा, तभी जवाब दूँगा।

I am just talking about the general points; individual cases I shall take up later on.

Sir, these were some of the reasons why the companies are becoming sick. I am also in agreement that sometimes the managements are not good. As the Members have already said, sometimes there is political interference or sometimes there is a dual machinery which is working. So, that also creates problems. But by saying that and by blaming the CMDs of the public enterprises, we may sometimes be doing a great injustice to them also. I see some of them really working hard. They are trying sometimes to bring the company out of difficulty...(Interruptions)

**SHRI RAMESH CHENNITHALA (MAVELIKARA):** Sir, there is an inordinate delay in the appointment of Chairmen and Managing Directors of the existing PSUs because of the formalities. Will the Government contemplate to simplify the formalities so that the Chairmen and the Managing Directors can be appointed easily, without much delay?

**SHRI MANOHAR JOSHI:** I have noted your point and I agree to that also. It is absolutely true that the delay takes place because there

is a lot of procedure. And when someone wants to be transferred, there is a lot of more procedure. It is not a defect in public enterprises, it is a defect of democracy that when you want the things to be clear to everyone - to the Parliament, to the public and to the Press also - then naturally the matters are a little difficult. That is the only reason. But still we shall try to shorten it.

DR. NITISH SENGUPTA (CONTA): Sir, is it necessary that all cases of appointments, transfers, etc. should go to the Prime Minister for approval? Why can the Minister himself not approve?

SHRI MANOHAR JOSHI: I understand that and in some cases the Ministers are allowed also.

प्रो. रासा सिंह रावत (अजमेर) : सर, मैं माननीय मंत्री महोदय से एक निवेदन करना चाहता हूँ कि आप इतने समर्पित भाव से एच.एम.टी. का पुनरुद्धार करने के लिए उसमें सुधार करने के लिए सचेष्ट और प्रयत्नशील हैं। उसके लिए मैं आपको प्रशंसा करता हूँ। लेकिन मेरा निवेदन यह है कि बी.आर.एस. के अंतर्गत जिन लोगों को सब बेंचिफिट्स का आश्वासन देने के बाद अवकाश प्रदान किया गया था, उन्हें कुछ तो दे दिया गया है और कुछ नहीं दे रहे हैं। वे एक साल से चक्कर काट रहे हैं। आप उनकी समस्या को हल करने का प्रयत्न करें, ताकि उन्हें कठिनाइयों को सामना न करना पड़े।

श्री मनोहर जोशी: आपने जो कहा है वह प्रश्न मैंने उठाया है और इस प्रश्न पर मेरी बात हो रही है। क्योंकि मैं जानता हूँ कि उन लोगों से कबूल किया गया था और वे लोग जाने के लिए तैयार हैं, यदि गवर्नमेंट उन्हें पैसा दे दे।

I do not remember the right figure, but a number of workers have shown willingness that they are prepared to accept VRS. Fortunately, in HMT, the Union and other people are very cooperative and, therefore, I am confident that the matter will be settled as soon as possible.

Sir, the question is not only about the officers, but there should always be a level playing field also. Some hon. Member also mentioned about it here. I have not been a student of economics but I do understand that. It seems that there is no level playing field. This complaint was made to me by the Private Sector Heavy Industries Association also in the CII meeting. A number of closures are taking place in private sector also only because of the fear of the zero duty formula which has been taken into consideration.

On the one side, we are charging the minimum duty or zero duty on the imported goods and therefore, they become cheaper, on the other side, there are a number of taxes being charged on the products which are being manufactured in our own country and therefore, the final products become so much expensive that nobody would be desirous of buying them. This has also created a problem and I assure the representatives of different unions, different companies that I will discuss this problem with the hon. Prime Minister and bring to his notice that if there is no level-playing field, it will be difficult for these industries to survive because I have noticed that there are complicated problems. But we have also to tackle this issue. These are some of the reasons I have noted and of course, I know that there may be some more reasons which I would like to go into.

Sir, is it not possible to improve upon this? Is it not possible to find the ways and means to see that we overcome the fear in our minds by finding out measures so that sick industries need not be closed? The basic objective of the Government as regards revival has been made clear.

Somebody raised the issue about BIFR. I collected the information that BIFR working is also taking a long time. Sir, this also needs application of mind. When I was in the other House, there also, it was raised by one of the hon. Members that the Government is not furnishing the information required by BIFR to it. I would only like to say that this requires more attention. As regards number of members, I would say that it was set up in 1987 and there are six members and one Chairman who are at present with the BIFR.

The Sick Industrial Companies Act, SICA makes it obligatory to refer units which have lost their net worth to BIFR. The BIFR is an arrangement to revive sick units where it is possible. It appoints an operating agency, it formulates rehabilitation package in consultation with financial institutions, the Government, the management, the employees and other agencies. This is a quasi-judicial body. If this work is given to some other authority, I am afraid that there may arise doubts or suspicions in the minds of people about whether those bodies may work properly. What is necessary is to put up a time-limit for the Government, for the financial institutions and also, to a certain extent, for the BIFR to settle the problems within certain prescribed time. If that can be done, it will be fine. The rehabilitation package includes writing off of past losses, conversion of past loans into equity, infusion of fresh equity, relief from past liabilities and provision of guarantees for fresh borrowings. Reconstruction of enterprises is also, thus, attempted. Therefore, I personally feel that this should not be done away with and it should be continued with.

I would like to tell only two figures to the House instead of taking more time of the House. In 1991-92, the profit-making Public Sector Enterprises earned a profit of Rs. 6,079 crore. Now, this has increased by 233 per cent to Rs. 20,267 crore in 1997-98. That means the percentage of profit has increased to a very large extent in these Public Sector enterprises also.

Sir, this shows that the PSUs have also been successful to a large extent.

Lastly, I would speak about disinvestment. It has become a must because these units were expected to be independent, but they have not become independent. If disinvestment is not done, then no money will come. When the debate was going on, a suggestion was made that a part of the amount which we get from the disinvestment should be given to those companies which are running heavy losses. That was my suggestion also, and I said this in one of my speeches. Ten per cent of the amount has been earmarked as a fund, and the money can be given from that. We have to push this matter further, and despite all the difficulties, we have to go ahead with the procedure of disinvestment.

Sir, I would not be able to reply to all the questions which the Members have raised. While making her point, Shrimati Geeta Mukherjee had raised a question about the GAIL shares, and according to her, those shares were sold at a cheaper price. I think, the reply to that question was given by the hon. Finance Minister in the House earlier that the price of the share depends upon the time when the shares are sold. There was a controversy in the newspapers on this, and a detailed reply was given to it. So, I do not want to take the time of the House by going into it again. She also said that the BIFR has been a failure. I have already replied to that. She said that some hard decisions are yet to be taken in regard to the workers' problems, and I am in agreement with her. Some other hon. Member also has given the same suggestion.

He said, in regard to PSUs,

जो बंद करने वाले कारखाने हैं, वे तुरंत बंद करें और थोड़े कड़े कदम उठाते हैं तो सब कुछ करना होगा, नहीं तो - ड्रम हो रानी, मैं हूँ रानी, कौन भरगा पानी'', ऐसी स्थिति हो जायेगी। मुझे याद है, उस समय मैं समाग्रह में था।

Hon. Rawatji has raised the same issue.

मुझे मालूम है कि इस विषय में एक पालिसी बनानी पड़ेगी।

I am seriously thinking that on these PSU matters,

a white paper will have to be issued. That white paper will be really a guideline for the Government to work, and for the PSUs, to improve upon. I am considering whether such a white paper should be issued, and this white paper will be exhaustive in nature. At the time of issuing such a paper, this type of discussion will be very much useful.

The Members have raised a number of questions and I have noted all their questions. But since you have indicated to me that my time limit is over, I may not be able to go into the details of all the questions. There was a suggestion that there should be a monitoring body, and it is a very good suggestion. I am inclined to accept this suggestion of having a monitoring body in respect of PSUs, and also a review has to be done from time to time in regard to its progress.

Sir, for want of time, I am not in a position to reply to all the queries which were raised. But I can assure the hon. Members that all the important questions which were raised would be replied in writing.

Before I complete my speech, I will reply to the last question which Shri Rawale has asked me in the House. I would only tell the hon. Member, Shri Mohan Rawale, that the question of textile mills not only relates to Maharashtra, but it has become a serious question all over India. Therefore, what has become necessary is diversification from time to time, as it is done in other business enterprises. We cannot always say that we will go ahead with the same business, though the same business has no demand.

You cannot go on with the same machinery; you cannot go on with the same business.

Some hon. Member here raised a point about the rate of interest. In foreign countries, the rate of interest is only two per cent to three per cent. But in our country, the industrialists are expected to go ahead with their business with interest rates, as high as twenty per cent. It really becomes difficult for them to go ahead with their business with such high interest rates.

Sir, the intention of the Government -- I must say, and Smt. Mukherjee would understand -- is quite clear. We are serious about the issue. We want to rehabilitate the workers very nicely. We have started not only the VRS but also the VSS. Otherwise, the workers would not have got the money which they are now getting. Therefore, the Government is interested in running the industry; we are interested in good rehabilitation of the workers and we are also interested in cooperation from all sections of this House. We are also considering the issuance of a White Paper on this subject.

Sir, therefore, I would like to request Smt. Geeta Mukherjee to withdraw the Resolution that she has moved. With these words, I conclude my speech.

SHRIMATI GEETA MUKHERJEE (PANSKURA): Mr. Chairman, Sir, the hon. Minister in his reply has stated that the number of PSUs that have been closed, as was mentioned by me, is not twelve. I would like to tell the hon. Minister that this figure was quoted by me from an official reply to a question asked by some hon. Member of this House. If the official answers are like this, then it is up to the Government.

Sir, this morning a Starred Question relating to coal was being discussed in this House. The Minister was saying that they were having a good profit from CIL as a whole. I then asked him, then in that case, why can they not finance those units which are running at loss from the units which are running at a profit? In reply to that he told me clearly that it is because of the World Bank. The cat was out of the bag. Why are all these things happening? You say that it is the World Bank and the IMF before whom the Government has to come down. This is creating a majority of the problems.

Sir, secondly, I would like to make a point on BIFR. I understand, that there was a debate on this issue in the Rajya Sabha and Shri Nilotpal Basu was accusing the Minister about the functioning of the BIFR. The proceedings of the BIFR is very slow. Now, whatever information is asked by the BIFR from the Government, the Government provides the information. But Government has failed to give answers and have sought time to provide the answers.

Sir, I would like to say that the BIFR needs to be activated properly and the delay on the part of the Government is also causing a lot of problems, which I think, could be avoided if there is monitoring with a proper policy in place.

Sir, it has been stated that rehabilitation of the workers is being tried out. As far as I know, at least in West Bengal I have not seen any rehabilitation of the workers taking place. I do not know if rehabilitation of workers is taking place somewhere else. I shall be happy to know about that. I would also hope that rehabilitation would take place universally and not done selectively.

Sir, now I would also like to make a point in regard to the private industries. The private industries also are getting sick. The hon. Minister himself has stated that they are not able to face competition. Why is it so? It is because you have given so much advantage to the foreign companies that our domestic industries -- whether public or private -- are in a difficult situation. It is clear that unless the Government changes the economic policy, all these problems cannot be solved. Even then, I am happy to learn that the Government would try and I hope, that they would try to do it.

As I mentioned, payment that is due to workers has been held up for months together and it is really causing tremendous hardship to



them. I particularly request the Minister to go into it and see that such things are avoided. Everybody knows that a parallel economy runs in our country. If only the Government had succeeded to bring the black money into the mainstream, half of these problems could have been solved and our budget would not have been what it is today.

Sir, though I am not very happy with the Minister's reply, since he has stated that he will try and bring out a white paper and requested me to withdraw my Resolution, I withdraw it with the resolve that we shall make the whole country fight this policy which is taking India to ruin and undermining our economic sovereignty. I hope that this will be remembered by all the people of our country.

**श्री मोहन रावले (मुम्बई दक्षिण-मध्य) :** सभापति महोदय, मेरी एक क्वैरी है। क्या मैं आपकी अनुमति से एक क्वैरी कर सकता हूँ?

**सभापति महोदय :** आप बाद में बात कर लीजिएगा। आप मंत्री महोदय से चैम्बर में जाकर बात कर लीजिएगा।

I am not allowing you.

Is it the pleasure of the House that the Resolution moved by Shrimati Geeta Mukherjee be withdrawn?

The Resolution was, by leave, withdrawn.

----- <