

[Sh. Sankersinh Yaghela (Godhra)]

15.32 hrs. 1/2 hrs.

can you produce a good Minister? Out of the stuff only, the Prime Minister has to select the Ministers. Where are the good Ministers like Pandit Jawaharlal Nehru and Sardar Vallabhai Patel?

~~MR. CHAIRMAN:~~ Mr. Yadav you can continue next time.

Now we take the Private Members Business.

Shri Amar Roypradhan.

15.32 hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

Twelfth and Thirteenth Reports

[English]

SHRI AMAR ROYPRADHAN (Cooch Behar): I beg to move:

"That this House do agree with the Twelfth and Thirteenth Reports of the Committee on Private Members' Bills and Resolutions presented to the House on the 29th July, 1992."

MR. CHAIRMAN: The question is:

"That his House do agree with the Twelfth and Thirteenth Reports of the Committee on Private Members' Bills and Resolutions presented to the House on the 29th July, 1992."

The motion was adopted.

MR. CHAIRMAN: Shri Rup Chand pal may continue his speech on his Resolution.

RESOLUTION RE REVIEW OF DISIN- VESTMENT POLICY-CONTD

[English]

SHRI RUP CHAND PAL (Hoogly): Sir, while moving the Resolution, what I tried to impress upon the Government was, that the Government has no authority to disinvest the shares of the public sector because neither in the manifesto of the Congress Party nor in the reports of any committee, for that matter there has ever been mention about it. The Government is selling the property of the nation without having any reference to such action to the people.

So I have said that the people will not tolerate the *male fide* action of the Government.

Second point that I wanted to make was regarding the *modus operandi* had the shares for disinvestment were under-priced. The book value of the shares were taken into consideration and I had given some examples. The paid up capital of Bharat Heavy Electrical Ltd., was to the tune of Rs. 240 crores. but the replacement cost is about Rs. 25,000 crores. So also in the case of five public undertakings in the oil sector, namely Bharat Petroleum Limited, Hindustan Petroleum Limited, Madras Refineries, Cochin Refineries and Bongaigaon Refineries, I wanted to impress upon the Government that those shares were under-priced. The whole deal was made under the veil of secrecy, in the name of disinvesting the shares a manipulation had been made and it was a bonanza, almost a free gift to new purchases.

I have already made it clear how the reserves of Bharat Petroleum and others have been handed over these resources are to the tune of hundreds of crores of rupees. They were given as free gift to the people who had purchased the shares.

Here in this case, the Government has been saying that the new layers were the mutual funds or the financial institutions but the Janaki Raman Committee has shown that through these outfits, frontal organisations like the Allahabad Bank and others, the foreign banks had purchased large chunk of the shares.

The concept of public sector was a product of the freedom struggle. From the days of freedom struggle, the leaders had been assuring the nation that when we become independent, we should depend heavily for our self-reliance on the public sector which we should take to the commanding heights of the economy.

While we are debating about the Ram Janambhoomi Babri Masjid controversy, about the construction of the temple on the disputed place, violating the court order, another case of violation of the Constitution, another case of dismantling of the temples of modern India, the public sector undertakings—that is the expression used by Pandit Jawaharlal Nehru about the public sector giants—has taken place without the mandate of the people. This is being done at the dictates of the IMF and the World Bank. It was made amply clear in the Budget Speech of the Finance Minister that if we were to reduce fiscal deficit, Rs. 2500 crores will have to be collected by way of disinvesting the Government shares of public sector undertakings and were given to understand that the rest will be used for national renewal fund.

This compromise, this surrender at the dictates of IMF and the World Bank, compromised our economic sovereignty and our self-reliance. So oppose this very action and our demand is that the Government should halt, stop, and without giving away the already sold shares, they should be bought back and no further disinvestment should take place. The Government should assure the nation that whatever mistake it might have committed, whatever compromise it

might have made, whatever surrender it might have done at the dictates of IMF and World Bank, they are not going further to surrender to disinvesting and they should assure the nation that whatever is sold out, would be bought back by the Government.

I strongly believe that the whole House will support me and the Government should just honour my resolution and stop and desist further investment any buy back the already sold deinvested shares.

SHRIMATI GEETA MUKHERJEE (Panskura): Sir, my hon. colleague Shri Rupchand Palji has spoken on the general policy of disinvestment. While fully agreeing with him, according to my own practice, I shall not repeat any one of those arguments. I shall only give some examples, where we are standing on the brink:

I would like to know from the hon. Minister what he wants to do about them. I quote the example of Tyre Corporation of India. In this it was actually agreed upon earlier that a scheme of Rs. 40 crores would be taken up. That was the understanding. There was another understanding that in the Kakinada Tyre Division, Rs. 99 crores would also be invested. Then, before that also, a lot of discussion was there.

Actually, the Status Paper did recommend these expenditures. Even then, this has been sent to the BIFR. I would like to know whether the pious wish, and pious declaration of our hon. Minister that they would not disinvest, would be carried on in this Corporation. I would also like to know whether they would invest the said amount.

Before going to anything else, I would like to come to my oft-repeated question of Bengal Potteries. A criminal act has been done towards it. On the floor of the House, for 12 years. I could extract a promise. For 12 years, the Government was forced to give only the wages. A paltry sum of Rs. 500 crores was refused for this great Bengal

[Smt. Geeta Mukherjee (Panskura)]

Potteries of ours, which is a pride of our nation, which earns foreign exchange like anything and that is at the tail end of it. Now, that is under discussion with the Ministry of Industries.

The representatives of all Parties of West Bengal went there and Prof. Kurien assured us that he would be recommending to the Prime Minister that the liabilities should be written-off. I can tell you, Sir, even if the liabilities are written-off, even today there will be people who are ready to invest here. So, this policy, which has started earlier, of denying working capital has landed the bengal Potteries in this situation. This is one of the biggest examples to show how you have become penny-wise and pound foolish. I would like to know your reaction in this regard.

Let me take another thing. I come to NJMC now. In West Bengal, there is a nationalised Jute-mill. Those who have been to the Exhibition here, which was opened by hon. Shivraj Patil-ji the other day, would have seen how many new products from jute can be produced and most of them can earn foreign exchange. Even the, why is the NJMC in trouble? Why cannot the Government coordinate its functions? Why cannot the Government buy jute at the proper price? Let the jute barons not fleece the peasants any more. Also, without spending the money, they have spent it somewhere; they have sent it elsewhere. They have ultimately put not only our workers in difficulty but also our country in jeopardy, our foreign exchange is seriously undermined. I would like to know that what the Minister wants to do about it.

Then, I would like to know about another thing. That is about the Fertilizer Corporation of India, Sindri. This is one of the But before I come to Sindri, I would like to mention about the heavy Engineering Corporation, Ranchi. A Working Capital of Rs. 26 crores was agreed upon in the Memorandum of Under-

standing between the Union and the Government. But it was not coming. Why? Ranchi is such a place which is surrounded by Adivasis and I am sure among the workers, it is an important component. Why should Ranchi be made a *Page a Gar* a mad people's place where we will all go?

Sindri Fertilizers is one of our oldest corporations. Here also, no working capital is being given. Lot of loans are given to input suppliers. Who are the input suppliers? They are the companies like the Indian Oil Corporation, BCCL. Are they pauper? Is IOL pauper? Why not IOL pay back dues to Sindri Fertilizers Corporation? And all the proposals for revamping which were agreed upon between the Board of Directors and the Government of India which have been kept in abeyance be revived. I am giving these four examples. There are many examples. I would like to know apart from the pious wishes what else we can expect. If you think that privatisation is going to pay us, then please remember that the best of our Indian monopoly capital, the Tatas for whom we have some soft corner has a zero tax returns. Please do not forget that. That is what you get back from them. If this is the position, why should not disinvest? There are very many places where actually public share can be floated, you can do it and help it. Instead of wasting money like this through horrible schemes, why should you not revive organisations like this and protect our public sector to the best of our capacity.

I would just conclude by saying that there is a complaint that there is no work culture in the public sector undertakings. I admit that became the position for some time. But I can assure you that the workers of the public sector undertakings, whom I met now, they are really very eager to give their best for the production. Please take this chance and revive our country along with the millions of workers who are involved in these industries. I hope we will get your answer. Thank you.

SHRI CHITTA BASU (Barasat): Mr. Chairman, Sir, I rise to support the Resolution whole-heartedly moved by Shri Ropchand pal. I congratulate him on this occasion because he has raised a very important issue which concerns not only several lakhs of workers engaged in these public sectors but also the interest of the nation as a whole. He deserves congratulations from the House.

I want to remind the Houst about the genesis, of the concept of this disinvestment. As a matter of fact, our Finance Minister Shri Manmohan singh referred in his Budget speech for disinvesting Rs. 2,500 crores. I do not know what was the intention and the objective of that? To me the whol idea, the whole concept was to reduce the fiscal deficit of our country. and that was because of the diktats of the International Monetary Fund and the World Bank. The diktat was that the deficit should be narrowed down to 6-6.6 percent of the GDP. And under that instruction, the Government - Shri manmohan Singh - wanted to disinvst to the amount of Rs. 2,500 crores.

Sir, as at present, the first round brought us Rs. 1442 crores; the second round brought us Rs. 1608 crores totalling to Rs. 3037 crores. it is neither my complaint nor Mr. pal's, but the general complaint is that these shares have been under-priced; under-priced heavily. Some calculations suggested by somebody is available with me, which says that instead of Rs. 3037 crores, the Government could have obtained Rs. 20,000 crores; that is a net loss of Rs. 17,000 crores, caused by way of taking to a strategy of disinvestment and it has brought a greater loss to the country.

Sir, in this connection, I want to draw the attention of Shri Thungon, though it is not Shri Thungon who is concerned, and as a matter of fact, it is the entire Government which is concerned, if the primary consideration was to reduce the fiscal deicit of our country, was there not any other way left to

us other than this disinvestment. I would say there was.

I have got some documents to prove that these public sector enterprises have a retained profit of Rs. 5167 crores. Who prevented the Government to take recourse to what I would say as retained profit, in order to tide-over the cris of fiscal deficit than instead of having Rs. 3003 crores while losing more than Rs. 20,000 crores? We could have avoided this situation; we could have averted this economic crisis and we could have brought down the fiscal deficit by simply taking recourse to this retained profit of the public sector enterprises.

Sir, i have got my time to explain what is meant by retained profit and that would not have cost any loss to th nation and to the country. On this occasion, I also want to bring to the notice tht the public sector shares belong to the people, it belongs to the nation and not to anybody, not to Shri Manmohan Singh or to Shri Thungon or to me. i referred to a calculation made by Shri K. Ashok Rao, who happens to be the General Secretary of the Public Sector Employees Association. He has calculated this and he has said:

"That the value of the capital invested in the Central public sector enterprises as per the Public Sector Enterprises Survey is Rs. 1,13,324 crores. However, the placement value of the public sector enterprises assets taken at the current price would easily be over hundred times. Thus for a population of 85 crores this was how owns to an asset ownership of Rs. 1 lakh per day. Thus, every single Indian owns an asset of Rs. 1 lakh in the public sector enterprises."

Sir, every Indian, according to his calculations, own an asset of Rs. 1 lakh in the public sector enterprises. And you - the Government - completely are oblivious of this public asset and teated it as your own asset and treated it as you own house property. i do not want to use some other harsh words. Therefore, as I have mentioned, it is

[Sh. Chitta Basu]

not the question of this factory or that factory; it is the question of the nation as a whole and squandering away the assets of the public.

For the time being let us assume that the Government has got a policy frame regarding this disinvestment, though I do not think they have got any policy objective. It might be to realise some more money for the Government. In this case Mr. Pal has explained that his strategy has not been appropriate. You have lost more than you have gained; you have lost Rs. 20 thousand crore and you have got only Rs. 3300 crore. Therefore it is not the appropriate strategy of realising money. It is the wrong strategy.

The second policy objective might be to dilute the holdings of the public sector undertakings in the direction of your desire, that is privatisation. You may want that instead of 100 per cent holding there should be some dilution, so that ultimately we can get it privatised. But that is also a foolish set.

Some reports say that it is 8 per cent. Of course 31, or 32 if you include Maruti, shares have been sold. In certain enterprises you have off-loaded 5 per cent, 2 per cent, 1 per cent and sometimes 20 per cent. Therefore simply by loading off some percentage you are not having any control or any dilution and that does not lead to a considerable extent the control over that industry by a private person or private shareholder. Therefore that purpose is also not very much effective.

The third objective might be to bring about reduction of losses thereby reduce the budgetary allocation. Here you have sold away the profit earning undertakings share and therefore there is no question of reducing losses. On the other hand you have loaded off the shares of profit earning undertakings. Therefore you are not reducing the losses and also not reducing the quantum of

budgetary allocation. I shall come later on to these things.

Therefore if there is any policy then the objectives are not clear. If there is any objective the strategy you have adopted is self-defeating and counter-productive. Therefore I say that this Government has nothing to build up its case in so far as disinvestment is concerned.

Another grouse is that it has become a fashion today to denigrate the public sector in our country as a whole. I shall give certain information to the hon. Minister who is very much concerned with the public sector. Is it not the fact Mr. Minister that 85 per cent of the capital invested in the public sector is giving fairly reasonable dividend of 8 per cent? It is admitted by the Government that 85 per cent of the total capital invested in the public sector enterprises brings proper returns, fair returns, reasonable returns of eight per cent; yet you are eloquently denigrating the public sector. Now, let us take into account this fact. In the Sixth Plan, the government obtained Rs. 27,570 crores by way of excise duties, customs duties, corporate tax and dividends from these public sector undertakings. In the Seventh Plan, the Government obtained Rs. 57,873 crores. These public sector enterprises do not hide their profits, they do not maintain a second book. They are bound to pay the corporate tax, they are bound to pay the excise duties and they are bound to pay whatever is to be paid to the government, unlike the private sector.

Now I am reminded of what late lamented Mrs. Indira Gandhi said. Once in this very House she was heard saying that the private sector is really private. That means, we do not know anything of the private sector; everything is private to them. But, in the case of public sector, everything is public and it is known to everybody.

I have calculated and I have seen that if the investment is Rs. 1,14,000 crores, these public sector industries - even after incurring

loss-give a net profit of about Rs. 70,000 crores, if we take into account all the statements of accounts right from the day of the inception of the public sector in our country. As for example, let us see this. I have taken all the years together to see what is the total income of the Government by way of Central excise duty, dividend, corporate tax, etc. What is the budgetary allocation for the year? I have chosen the year 1990-91, I have got a fascination for this year. Figures are readily available with me. In the year 1990-91, this Government obtained Rs. 20,000 crores by way of excise duty, customs duty, corporate tax, etc. In that year, the budgetary allocation for the public sector was Rs. 4,575 crores. The trend has been to further reduce the budgetary allocation for the public sector and that is the reason which has resulted in today's condition of several public sector undertakings, as has been mentioned by comrade Shrimati Geeta Mukherjee today and yesterday morning, that even the budgetary allocation which is already made, is not being released to the public undertakings.

Therefore I think that the Government's disinvestment policy is wrongly conceived and it requires to be reviewed. I feel it is not to be reviewed, it is to be thrown away, lock, stock and barrel.

It is not to be business of disinvestment, rather it would be the Government's business to invest more in the public sector undertakings. I would conclude by reminding Shri Thungon that they have given access to the Eighth Plan document to the World bank. I am not raising that question here. But at least you should know what is there in the Eighth Plan document regarding the public sector.

I know that the International Monetary Fund and the World Bank are not going to approve this line. They have already commented adversely against this portion of the Plan document. I quote from the document in regard to the Eighth Plan:

"The public sector has numerous

achievements to its credit. The development of our crucial infrastructure sector has been pioneered by the PSUs. Other vital segments of the industrial sector have been built up by public enterprises. The public sector has contributed richly to the widening and diversification of our industrial structure. The public sector will continue to perform a key role in the coming years."

I appeal to the Government, I appeal to Mr. Thungon, I appeal to this House that in the interest of rapid industrialisation of the country, in the interest of strengthening the economic base of our country, in the interest of developing our combating strength against the multinationals and neo-colonialist policies of the Western Powers, it is necessary that the Government should abandon its present policy and take to the path as indicated by the Eighth Plan Document.

I hope the Government will accept the resolution and throw away the policy of disinvestment lock, stock and barrel.

SHRI SRIBALLAV PANIGRAHI (Deogarh): Mr. Chairman, Sir, I thank you for giving me an opportunity to participate in this discussion. This was for the first time that the Government decided for unloading of its public sector shares. Now we are having a discussion. I think, after hearing the speeches of my learned friends I am certainly convinced on one point, that is, our friends sitting on the other side have developed the habit of reading much more into everything, much more than what it deserves. I am convinced about it. They read much more into everything, every deal, every policy. Of course, you have the right to make a detailed analysis. But you read between the lines sometimes just to criticise for the sake of criticism.

I also say that when the decision was taken for the first time, there was a purpose behind it. What was the purpose? This decision of unloading of public sector shares was the one not taken by the present Government. Initially, it was decided in January, 1991.

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Who was the Prime Minister then? Which Government was there? And Mr. Chandra Shekhar also made an announcement to this effect. Of course, that Government was not there to look after its implementation. And what was the purpose? Our hon. friends sitting across will agree that it was out of bare necessity for the Government to see that the budgetary deficit was squeezed and narrowed. And you know that the budgetary deficit was widening further and further from year to year. Whatever might be the stipulations and expectations in the Budget, at the end of the financial year, it was not coming to be true. They were making efforts. Many steps were spelled out in the Budget speech to narrow down this budgetary deficit. But on a different pretext or situation, there used to be a gap. Instead of narrowing down, it was further widened and Sir, you know the impact. A large budgetary deficit which the economy of our country cannot and could not contain resulted in inflation and other things. There was an impact. Therefore, this was done, as far as it could be possible, in an anxiety to arrange for funds and to find out resources.

As far as unloading of public sector shares and the target are concerned, to start with, they were thinking to have it for two years. In the first year, the target fixed was Rs.2500 crores. Of course, this exercise earned about Rs.800 crores more. They got Rs.3300 and add crores. Sir, I would like to refer to a press interview of Mr. Suresh Kumar who was the Secretary to the Department of Public Enterprises and who used to be the central point. I do not know what he is now. But he was in charge of this exercise. He claimed success in this exercise whereas I feel concerned about one aspect. As you know, on different occasions, so far as policies and decisions are concerned, they are very well intentioned and decisions are taken keeping in view the larger national interest. But while coming to the implementation part of it, in some cases, something goes wrong

and thereby the purpose, however noble and a doable it may be, is not fully achieved. Here the target has been exceeded. But there is a criticism from knowledgeable circles including economists who are well acquainted with the health of the public sector. There are some who criticised it. I think the Government should not dismiss it as such. They say that in some cases, this unloading and selling of shares has been done for a mere song. If it is true, then it is very very serious. I would like to know from the hon. Minister whether it has come to the notice of the Government. If so, has any enquiry been held and what is the outcome?

Whenever, there is a new policy, its implementation should be monitored. I always reiterate this point. I emphatically state on the floor of this House that implementation part should not be totally left to the bureaucrats. The other day, when we were discussing the Bhopal Gas Tragedy also, I gave the same advice. Our experience with regard to bureaucrats in this country is very bitter, though some of them are very capable. *(Interruptions)*

SHRI SRIBALLAV PANIGRAHI: Why are you ringing the bell Sir? Do you want me to sit down? Members have enough time in Private Members Resolutions. We are not at all hardpressed for time. If you have any pressure, I will sit down. Let me have another four or five minutes.

I am saying that we have got quite competent and capable officers. But sometimes some of them work without applying their minds. Some of them work rather indifferently. And some of them work with some motives-pecuniary motives- in their mind. This pecuniary motive is always there in various sectors, in the bureaucracy, in political circles and in so many other spheres. So, we have to be very careful.

This gentleman, Shri Suresh Kumar, Secretary, Department of public Enterprises has given a very peculiar, funny and ridicu-

lous answer to some other query. When asked about the evaluation or assessment of the shares, he replied that they did not know much because it was a new thing or something like that. Again he claimed that from all this, they got 33 per cent more than what they had expected to get. And yet, they do not even know what it should have been and how it should be fixed normally. They do not know anything clearly and probably they are groping in the dark. If they handled this issue in this manner, then it is very serious. An inquiry should be held into this and we should be more careful in future.

Again, I come to understand that the Steel Authority of India Limited was also in the list of these 31 public sector units whose shares were sold like this. Of course, these shares have been sold to the Mutual Funds in the public sector. In the present security scam, tens of thousands of families who are in small and middle income groups have been affected. But here, they have benefited through these Mutual Funds, in which there are several thousands of ordinary people. Because of the security scam, we do feel concerned about these things. Whatever it be, if the shares were not evaluated properly and if the amount was not fixed properly and if the amount was not fixed properly and something was done out of some ulterior motive, a serious view should be taken of this. There should be deterrent action also. Since no exemplary action is taken or punishment given, corruption is on the increase in different sectors. We have to deal with it very firmly. This is one aspect I would like to emphasise.

A question was asked about the flow in the first run. It is stated that in the first run they just did not know how to evaluate for the purpose of market. But this time they know about the price which the mutual funds give for each of its share. It appears to be ridiculous. So, the criticism that was there that in some cases the shares were sold for a song, probably has some substance.

Then I would say that shares should be spread over to a large number of people rather than its remaining in the hands of a single individual or a corporate body. We say greater autonomy should be given to the public sector units. They should manage their affairs themselves. On the other hand, when they are protesting- at least I can say about SAIL- they are saying that perhaps it is the time of depression for SAIL, for the steel industry and they want better time to come. How ridiculous it is. On the one hand the Secretary says that his was a new thing and they did not have any experience and on the other hand they express satisfaction that each bundle was worth Rs. 10 crores and we got about Rs. 20 crores. I would say, probably the fixation was done without any rhyme and reason. This should be looked into afresh and precautionary measures should be taken in future.

Out of Rs. 3300 crores, Government got Rs. 2500 crores. It was meant to meet the budgetary deficit, Rest of it was meant for the renewal fund. What is the present position with regard to the renewal fund? Repeatedly, we are given assurances - even yesterday and today also it was said- that no public sector unit is going to be closed. Of course, they have introduced voluntary retirement scheme and so on but what is the actual position. The idea to introduce this scheme was to see that where the public sector units are losing and when there is no hope for their revival, they should be wound up once for all. And, for the workers also something should be done. So, the Renewal Fund was thus created. What is the position? What has it contributed?

Now, I will come to public sector. We are proud of our public sector undertakings. We are wedded to democratic socialism. Democratic socialism loses much of its meaning without a vital or strong public sector. There is a philosophy behind the public sector. It should occupy commanding heights in our economy. Of course because of mismanage-

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ment and several other factors, some of the units have not achieved that, although they are capable of earning profits. So, instead of making profits, they were suffering losses.

After the present Government came into power, the New Industrial Policy was brought. A new signal has gone to the people who are in charge of the public sector undertakings in particular, that they should forget their differences and work in a team spirit. So, a greater awareness is prevailing now. Some of the units which were running in losses are now making profits. Take the examples of CIL, IDPL and so on. IDPL is engaged in manufacturing the basic life saving drugs. This company was on the verge of closure.

Yesterday, I took the representatives of the IDPL Union to the Prime Minister. He was quite sympathetic. If you refer such cases to the BIFR, because of uncertainty, the sickness is aggravated. So, it goes on lingering. Once it goes before the Tripartite Committee- the banks and other financial institutions the industries etc.- stop financing them viz the organizations which were in need of oxygen, for survival. They die without it. So, it becomes a sort of an unnatural death. I would say that even if you refer the cases to the BIFR, the budgetary support to such very important industries should not be stopped. You have to give them the necessary support, guidance and proper leadership. If you do so, I am sure, the public sector undertakings, barring a few units here and there, will be doing a good job and they will also be earning profit.

With these few words, I would like to thank you once again for giving me time to participate in this debate and I also thank Mr. Pal, for having initiated a discussion on this in the House.

SHRI ASTUBHUJA PRASAD SHUKLA
(Khalilabad): Mr. Chairman, Sir, the Govern-

ment should now be at least a little serious to implement the one year back declaration of restructuring the public sector. As a matter of fact the stage of implementation comes later, what is first required is to set up a section for that but no step has so far been taken by the Government. The Government, when it came into power in June 1991, declared that there would be a restructuring of those public sector undertakings that were running in deficit. It further declared that the interest of the employees affected by the restructuring would be safeguarded and there would be investment with the motive of ensuring profit in the Public Sectors and participation of the public. I know that the Government has taken this decision under the pressure of the world Bank.

The World Bank in its report of November 1990 clearly directed in the first para to limit the Public Sector. In the para 9.63 and 9.64 of the report it directed the Government to close those units that were running in loss and to restructure them. And it further directed to raise such a fund which might be utilised for the interest of those employees who are to be affected by the restructuring. The Government has taken the decision under that pressure. But industries are constantly running in deficit after the Government took that decision.

When we compare the profits of industries of the year 1990-91 and 1991-92, we find a deficit of Rs. 125 crore. Not only that, there has been a gross decline in the productivity of the public Sector. In May, 1992 the production target was of Rs. 660.68 crore, but we got the production worth rupees 583.69 crore only. Meaning thereby, there has been a constant decline in production. The reason, you know, is the policy of the Government. This policy has generated a feeling of insecurity among the employees. They are frustrated. They now doubt and the reason of their doubt is the different statements made by the Hon. Prime Minister, the hon. Minister of Industry and the hon. Minister of Coal. Their own statements differ. In

one of his statement made on 8th April Shri P.K. Thungon said that the Public undertakings running in deficit might be handed over to the Cooperative Societies. At the same time the then Minister of State in the Ministry of Commerce Shri P.Chidambaram had declared in Los - Angels on the last 10th April that those undertakings might be closed. A similar announcement was made by the Minister of State in the Ministry of Coal Shri P.A. Sangma. Similarly, the Hon. Prime Minister in his reply to the letter of the chairman of N.G.Os said that there would be a separate serious consideration about each sick unit and that no general formula would be adopted about the Public Undertakings. So it is clear by this that on the one hand the hon. Minister intends to restructure or close the sick industries and at the same time on the other hand the officers of the Industrial Development and Company work departments are considering to hand over these undertakings into the hands of the private entrepreneurs.

This aspect is certainly not in favour of entrepreneurs, rather it is because of this that there is a fall in production. Has the Government reviewed the priorities regarding the establishment of the industries of the Public Sector as to why the Public Sector undertakings are becoming sick? Why are they running in deficit? Why are they facing closure? When on the one hand the Public Sector undertakings are in such a bad state and on the other hand Private Sector Industries are constantly making profits. We will have to review it, We have to be anxious about as to whether there was a demand of the Public Sector undertakings in the places where they were established and whether the raw-material was available in those areas? Whether something was done to boost the morale of the employees? Similarly, whether we tried to know as to who are those persons who are officers there. Whether they are efficient to run such industries? To impose an officer from bureaucracy will, I think, never help to ensure success in these industries. So we need to fix

priorities and suppose even this experiment fails what will then be the fate of those industries. Should we close the industries, should we keep watching our industries running in deficit or should we carry on the sick industries? Will it ensure the development of the nation and will it ensure employment?

I feel that we will have to find out another way to it. But this does not mean that my party or I myself are against the Public Undertakings. But we will have to fix the priorities. We will have to fix a limit, that is why I would like to know whether the Government has taken loan from the World Bank through National Revolving Fund. As per the estimate of the World Bank we will be needing about 30 billion dollars to improve the condition of our industries. Has the Government chalked out a policy in regard to it? The Government's decision can be a good decision. But the Government has set up a National Renewal Fund scheme to keep the unviable and sick industries alive. The Government should clarify the objectives of this Fund. It should be the concern of the Government that the public sector undertakings should run in profit and make more and more production. The Government will have to assure that there would be no retrenchment of employees. Other people may think that Golden Hand Shake Policy is beneficial for the labourers but it is not so. Therefore, this scheme should not be implemented in public Sector undertakings; it should be withdrawn with immediate effect.

At the same time the corrupt practices being indulged into by the high level officers in Public Sector Undertakings should be checked, their wasteful expenditure should also be controlled and the experts of the concerned field should be appointed there. The Government should remove the restrictions imposed on having the negotiations with labourers and labourers and throw open the way of negotiations. Workers participation in the management should be allowed. The Government should prepare a blue print

[Sh. Astubhuja Prasad Shukla]

in regard to the measures to be taken to improve the working of those Public undertakings which are sick, running in loss or on the verge of closure. I think it would be better if the industry which are sick or running in loss are handed over to trade unions.

I think that these are the issues which need consideration. Therefore, I support the Bill and would like the matter to be reviewed again. Mr. Chairman, Sir, I also thank you for the opportunity you have me to speak.

(English)

SHRIMATI MALINI BHATTACHARYA (Jadavpur): Thank you, Sir, for having allowed me to speak for a few moments on this subject. I am fully in agreement with the Resolution and it is my hope that the warning that has been given to the Government through this Resolution will be taken seriously by the Government and a full review of the disinvestment policy will be made.

[Translation]

MR. CHAIRMAN: I would like to inform the august House that the time fixed for it was till 4.40 P.M. If it is the consensus of the House, the time can be further extended.

SOME HON. MEMBERS: Extend the time by two hours

SHRIMATI MALINI BHATTACHARYA: Mr. Chairman, Sir, extend it by one hour.

MR. CHAIRMAN: O.K. it is extended by one hour.

(English)

SHRIMATI MALINI BHATTACHARYA: Thank you, Sir.

Sir, Abhimanyu in *Mahabarat* knew

how to get into *chakravyuha*. He did not know how to get out of it. The tragedy of this country is this. The Government has led the country into a *chakavyuha* and the Government does not know how to get out of this *cakravyuha*.

Why are you following this policy of disinvestment in the public sector? On of your arguments at least is that you have to make up for your fiscal deficit; you have to narrow down the fiscal deficit.

Already one of the earlier speakers has mentioned how the assets of the whole nation are embodied in these public sector units. May I know from the Minister, who has given the Government this authority to do away with, to liquidate the assets of the whole nation in this manner? Sir, even when an individual is in dire economic distress, he tries to do without selling his most immediate, his dearest assets. Unfortunately in our country in these days we have been hearing of cases where parents in dire economic distress sell their children. But that is what they do last of all. This Government has begun by selling its children, the assets that were entrusted to this Government. That is the record that the Government has left for itself. Surely there were other ways of raising money in order to narrow the fiscal deficit. Surely there might have been more of direct taxation. In fact you have reduced wealth tax. In fact you have done away with wealth tax on financial assets. You might have drawn out the enormous amounts of black money that are running side by side with our white economy. There were several ways of raising money. Without trying and testing these, to go into disinvestment it seems is a folly which our future generations will not forgive. Of course our country has always had a mixed economy. There has always been a private sector and a public sector. But certain important areas, certain basic areas were reserved for the public sector. Now in a momentous and a disastrous decision, the Government has declared a reduction in the list of industries reserved for the

public sector from 17 to eight. The Minister, only a couple of days back, in Rajya Sabha has reiterated this decision of the Government. Has the Government given any reason? According to what argument, on what basis was it decided by the Government that these nine areas, these nine sectors, which has so far been public, are to be given over, are to be shared with private capital? They have not given any reason. One argument that is presented is that we have now grown up and therefore, we can face competition; we can face competition even from the international market. Is there any question of competition if you are really giving away assets from which you might have earned hefty revenues? Is there any question of competition, particularly with multi-nationals, particularly with foreign capital, if you rely more and more on foreign technology and refuse to develop indigenous skills? What was happened in the oil sector? The oil sector is the most glaring example of the totally arbitrary and irrational way in which the investment is being done.

Recently in an article in the Far Eastern and Economic Review it has been said that in order to get ADB loans in November, 1991, privatization was promised in the oil sector. subsequently, for world bank loan to the tune of 850 million dollars, the Government of India has taken a decision virtually to hand over three proven oil fields to Mukta, Panna and Neelam near Bombay high. The multinationals are being allowed entry here because all the technical facilities they are going to provide. These technical facilities might have been partially provided even without handing over these oil fields. But, these are being handed over for a mere 1.3 billion dollar and the profit that the multinationals are likely to make of these oil fields would be over 200 to 300 per cent. We want to know whether this information is true. As a prelude to this capitulation, we also find that ONGC is also already violating its own route and investing its funds in foreign banks instead of public sector banks. Is that true, Sir? The basic question that comes to our

mind is-it seems to be lunatic- why it is that the oil sector has to be privatised and taken over by multinationals when it can bring to our country so much profit at a time when a time when we are losing so much foreign exchange by importing oil. The only reason that one can see is that the Government has to comply with certain World Bank prescriptions. therefore, in order to comply with these prescriptions, it seems the Government is liquidating itself because by liquidating the public sector, the Government is also liquidating its own responsibilities as well as its own rights.

In the Rajya Sabha the hon. Minister quoting the finance Minister's Budget speech had said that there is going to be only 20 per cent disinvestment of public shares. The trouble with the Government is that they tell us only half of what is in their minds. The rest is said to the World Bank. Probably the Minister has forgotten or probably he wants us to forget what the hon. Finance Minister had written in his letter to Shri L.T. Preston President of the World Bank, which was written in November, 1991 - a letter which we succeeded in getting after making many demands in the parliament. I am going to read out a few lines from our hon. Finance Minister's letter to Shri Preston in which he said:

" the 1991-92 budget confirmed the Government's decision to sell partial equity interest (upto 20%) in central public enterprises, totalling Rs. 25 billion, through mutual funds."

Then, after a few lines, he said:

" Over the course of the next three years, the Government intends to raise a total of upto Rs. 75 billion from partial disinvestment."

" A more comprehensive programme of disinvestment of public holdings is under formulation with the objective of increasing the scale of divestiture

[Smt. Malini Bhattacharaya]

from 20 per cent to 49 per cent of equity through a mix of sales of shares to mutual funds, stock market floatation, labour buy-outs and joint ventures with private investors."

Labour buy-outs has not happened, joint ventures with private investors may be, but stock market floatation certainly we are seeing happening.

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY DEPARTMENT OF HEAVY INDUSTRY AND DEPARTMENT OF PUBLIC ENTERPRISES (SHRI P.K. THUNGON): what is the date of the letter?

SHRIMATI MALINI BHATTACHARAYA: The date of the letter is November 11, 1991. This was presented before the Parliament. It was laid on the Table of the House, after we made vociferous demands. Why was the public sector initiated in India? Because there were certain areas, industrial areas, there were certain areas of consultancy where private companies had failed. Private companies had failed to run airlines. That is why the Indian Airlines was instituted. Public sector in steel was set up because private investors were unable to take up steel production. Do you think that the private sector today is any more able to take up production in these sectors. Look at the private sector today. The amount of funds locked up in four lakh sick private sector units is Rs. 8,000 to 10,000 crores. Seventy-five per cent of these units are large borrowers, many borrowing from public financial institutions. It has been estimated that Rs. 14,000 crores may have to be written-off by Indian financial institutions in order to benefit these sick private sector units. These are the people to whom our public assets are being handed over. Would they be interested in enhancing production? Would they be interested in enhancing the productivity of the people? Would they be interested in

modernising, in tightening up the infrastructure, in improving the management? They might have if your policy had been otherwise. But your policy is such that the interest of these private shareholders lies altogether in a different direction.

As I said before, wealth-tax for financial assets has been abolished. So, it is easier to play in the stock market than to produce. I am told that you can make more money, you can make immediate money by putting shares from this side to the other.

[Translation]

What is the need to engage ourselves in production if we can make more money by putting shares from this side to the other.

[English]

This is what you have been teaching our prospective producers in the private sector. Why is the outflow of NRI capital continuing? It is because only those people are still bringing in their money to India who are interested in making quick money, not interested in production.

It is already known very well how the foreign banks minted money in India. This is not something that we have been saying. This is something that the Janakiraman Committee has pointed out that during the time when the bubble in the stock market was growing, certain nationalized banks acted as conduits to City Bank and to the Bank of America for the sales of public sector shares. After allowing the public sector shares to be used in this way, Sir, does the Minister any longer has the right to sit here?

And at what price? This has already been elaborated by other hon. Members. I am not going to do that. But I just want to put some questions to you. Why did the transactions in public sector shares start before they had been listed? I want to ask why was there no revaluation of the assets. Why were

the reserves not capitalised before the sale of equity was made? In Britain also certain public sector units were privatised. But before that they have made a thorough assessment, re-assessment, of the value of their assets and that is why when they were sold off, the Government made some money. You are selling away your profits at a rate which is next to nothing. At first the argument of the Government was that the public sector was a 'white elephant' and, therefore, that way the unprofitable units were to be disinvested. But now we find that it is the profitable units which are being dis-invested.

If you come to the question of sickness in the public sector, how did they become sick? sometimes we find that the sick public sector units were taken over from private sector and subsequently there was not enough investment. You starve a person for days and then that person falls mortally ill and then you give him up as a lost case. That is your policy with public sector units.

In today's Indian Express-itself you can find how some profit-making units of the N.T.C. were deprived of loans by the Industrial Development Bank of India. These units - mind you- were profit-making. However, the General Manager of I.D.B.I., Shri S.H.Patil, in a letter dated July 9, turned down the plea for loan. Without referring to the performance of the units concerned, the General Manager wrote "poor operating performance and unsatisfactory credit record of N.T.C. units in general" as reasons for not sanctioning the loan.

There are profit-making units which are being starved. We find this in other units also. At the same time we find that there are some major public sector units, consultancy units like the P.B.I.L. - which was to give consultancy for fertiliser industry - and the .M.A.M.C. etc.- which are being starved of Government orders. What can they do except fall sick? Of course, I will not mention the case of the engine for which order was put to the A.B.B - Asia Brown Boveri - when it could

have been made by the Chittaranjan Locomotives. The price paid for ships built at Cochin Shipyard - which has now been put to the B.I.F.R. - is less than the cost of manufacture of the ships.

17.00 hrs.

So, how can you say that it is because of these sick units disinvestment is necessary? Many of these sick unit might not have turned sick if there had been proper investment, if there had been proper management and if there had been sufficient orders from the Government.

Sir, it seems to us that the way of disinvesting the public sector is no way to improve and revitalize the public sector. It is rather the way to de-industrialise. The pressure upon employment as a result of disinvestment cannot be counteracted by the National Renewal Fund. This National renewal Fund is like that mythical 'thali of Draupathi' from which she could feed 5,50, or 500 people. When we ask the Finance Minister as to where from the money will come for rural development, where from the money will come for training people in the unorganised sector and where from the money will come for safety nets in the public sector units, every time the answer is that it will come from the National Renewal Fund. Earlier, it was Rs. 200 crores. Now, the Government has said it is Rs. 1,000 crores; may be tomorrow you will say that it is going to be Rs. 2,000 crores. But, I want to know from the Government as to what efforts have been made so far to set up this. You have declared that you are going to set up this National Renewal fund. That is all you have done so far. Again, a part of this National Renewal Fund may have to come from loans taken from the IMF and the World Bank for which you will have to succumb to certain conditionalities and for which you will have to disinvest more public sector units.

So it is my earnest submission to the Government that instead of this disinvest-

[Smt. Malini Bhattacharya]

17.06 hrs.

ment policy, if the public sector units are in need of money, at least allow them to sell their own shares at the market price, let them raise money for themselves, give them sufficient orders from the Government, tighten up the management and give them more autonomy, while at the same time making them accountable to the people, to the Parliament and promote internal democracy by giving the workers more say in running these institutions and use other means of raising money. Please do not make indigenous industry, indigenous skill and scientific knowledge a pawn to your transactions with the International Monetary Fund and the World Bank.

With these words, I fully support this Resolution.

SHRI GOPI NATH GAJAPATHI (Berhampur): Mr. Chairmen, Sir, the current resolution moved by my learned colleague, Shri Rupchand Pal is a significant one. Indeed, in our country a good number of public sector undertakings are incurring losses. Of course, some private sector industries are also sick. The losses incurred by the public sector undertakings cannot be attributed to the faults of the concerned undertaking alone.

Sir, the policy of the Government with respect to the public sector understandings should also be reviewed from time to time. Of the All the same, the Government cannot be solely blamed for the industrial ills, since they have to take into account a number of issues and interests of all concerned while formulating the policy or taking a decision.

For example, the fertilizer units are running in deficits since the Government are supplying fertilizers at subsidised prices in order to help the poor farmers. The Delhi Transport Corporation as well is increasing losses because of the rates of diesel and petrol are increasing practically every year.

(PROF. MALINI BHATTACHARYA -
in the chair.)

Consistent with this increase, it is not possible to raise the bus fare every year. The oil sector as has been pointed by me even earlier, requires total gearing up in right earnest. More incentives to new units coupled with tax concessions to industrial houses must be actively considered by the Government. If the total installed capacity of the public sector undertakings is properly utilised, there is no possibility of the public sector undertakings incurring losses, in general. Hence the Government should supply adequate funds to needy and revivable public undertakings, particularly recommended by the BIFR institution and help them overcome the genuine difficulties faced by them.

Further, NRI's participation in our industrial sector should also be welcomed. Moreover, the workers' participation in the management and the workman's welfare should also be reviewed by the Government from time to time.

I wish to highlight in this august forum particularly the case of a public sector undertaking, Indian Rare Tharts Ltd., at Chaerapur in Orissa State coming under the Department of Atomic Energy, Government of India, requiring the Government's immediate intervention. The poor labour-management relation and the slow implementation of the modern production techniques have made the unit thoroughly sick. On a lucrative expropriated public sector undertaking like the Indian Rare Earths Ltd., be allowed to incur huge losses of Rs. 2 crores regularly every month.

It must also be pointed out that there is positive political will of the Government to financially assets and revive most of the sick public sector undertakings, in our country. Special efforts are also being made by the

technical, financial and allied advisory bodies to help sick units recover at the earliest possibility.

In conclusion, therefore, in view of the aforesaid views expressed, keeping in mind the Government's firm will in the right direction of general liberalisation and 40% of disinvestment policy my esteemed colleague Shri Rupchand Pal might perhaps withdraw his thought provoking Resolution.

[Translation]

SRI SANTOSH KUMAR GANGWAR (Bareilly): Madam Chairman, I would like to thank Shri Ropchand pal for bringing this important matter for discussion through a Resolution. One year ago when the resent Governmnt came into power, a new economic policy to recoginize the public sector was announced. BJP, from the very beginning has been of the opinion that their functioning should be reviewed and the priorities determined. But uncertainty prevails even after one year. It has been coming in the way of proper management and employees are also agitated because of their uncertain future.

I would like the Government to clarify the situation immediately and bring the reality to the fore. It is true that we started making plans for the country only after we got independence and in view of the prevailing circumstances the Government found it beneficial to encourage Public Sector at that time.

In 1951 the work was started with the investment of just Rs.29 crores which has now been increased to more than rupees on e lakh crores in bout 250 industries; we will have to think as to where do we stand today even after making such a huge investment. BJP has adopted a very car ideology. We should consider that and take decision accordingly. BJP has clearly mentioned in its manifesto "We will review the role of Public Sector Undertakings keeping in view their contribution in the development of the soci-

ety and we will make such policies while reorganizing them that would prove productive, efficient, profitable and public oriented. It appears that uncertainty still prevails. I would like the hon. Minister to take personal interest in it and take a decision which may strengthen the country. Because the third world countries are looking towards India for every thing, while the Government of India out of it. It has not been able to take a final decision on such an important issue so far.

Since the hon. Members have already expressed their views on the matter, I would not like to say more. In th end I would only submit that we should take decision at the earliest; nd because uncertainty can not continue to prevail for long. We have to take into consedration that at present more than 100 Public Undertakings are running in loss. It is true that we have not taken a decision in favour of complete privatisation. But we will have to think as to which direction we want to take our country.

I will not say much. I would only submit that the hon. Minister is present here, he should give an assurance to the effect that he would take a decision keeping in view the future of the employees and also the type of management that would be beneficial to us. I would like to draw the attention of the august House to the deprol condition of lakhs of employees who are totally uncertain about their future. Keeping their prevailing condition in view our decision should be in accordance with the need of the hour. With these words, I thank you for the time you gave me to express my views.

SHRI KRISHAN DUTT SULTANPURI (Shimla): Mr. Chairman, Sir, I rise to support the Resolution moved by Shri Rupchand Pal. With the launching of Five Year Plans, industries have flourished all over the country and lakhs of people have got employment in industries. Industries have been set up in the public as well as the private sectors. The officers working in Public sectors run their

[Sh. Krishan Dutt Sultanpuri]

own industries in the private sectors also. People in the Private sectors have been trying to liquidate factories in the Public sectors. This is what has been happening in our country. There are many factories in the Public sector which fare well Workers have been getting jobs and wages regularly. People who run industries in the private sectors have been exploiting labourers and taking extra work from them and pay low wages. Moreover they show deficit in the in balance sheets and take sufficient and from the Government. People running private sector industries are given facilities like loans and subsidy of Crores of rupees and . The poor people of this country have not so far been helped properly. The poor people could not be given necessary help they deserved. Referring to public sector Undertakings, the hon. Members of the opposition complain that the Government did not work properly at all and rather it worsened the situation. The unfortunate people of our country do not understand this fact People have set up factories with great labour to strengthen the economy of the country. In order to run those factory properly, this issue must be discussed here. The labourers should not be exploited here. Unless the labourers are involved in factory management mismanagement and dishonesty will prevail. Therefore, the involvement of labourers in the managment should be ensured and there must be a director to represent the labourers in the factory so that the factories make production properly and the country becomes self-reliant. Labourers of many states have been assured many things including giving scales given in Punjab so as to protect their interests. They have also been assured not to be retrenched from their jobs, youth have also been assured employment. But the Government could not give employment and factories did not run properly. As regards privatisation, it seems that they are going to privatus the Government also. All productive units including the power projects etc. will be privatised. This will lead to exploita-

tion of labourers. If they want to improve the lot of the labourers, they will have to give guarantee to factories in the private sector. In that case it must be ensured that the workers appointed by the Government are not to be removed. There are many factories which have gave since been closed and tgere is no production, yet the officers get their salary. It as been said that the hon. Minister has made different statement at different places. There have been agitations everywhere against the policy of the Government and it was discussed in the House how to run the industries in the country. All the hon. Members presented they view. Every one says that he is against privatisation, but a survey should be conducted to find out the people who are in favour of privatisation because they are the people who set up same kind of factories in Delhi, U.P., Himachal Pradesh and Haryana. Thy have formed a caucus and they have set up factories in the names of their sons and daughters everywhere. Even the Nationalised Banks advance them loans. These Banks give security even to people who have no repaying capacity. They are advanced loans. This too should be probed. If this Government wants to work with zeal in the entire country, it should look into these things. Shri Thungan, the hon. Minister of State in the Ministry of Industry is young and the Minister of state of the Ministry of Textiles who is sitting here, is also young and energetic. They are rendering their services to strengthen this country. But the Government must pay attention to the problem of exploitation of the poor.

We are permitting the people in the private sector to set up factories. They are the people who have closed their factories and today they want to take advantage of privatisation of power sector. They are making an effort to prove that they ar capable of running factories very well. There are the people who cheat the officers and politicians of this country and convince them that they can run factories very smoothly. These people will fail the power sector also in the way they failed textile sector earlier. Before

starting a factory they prepare some infra-structure and say that they would require 400 labourers. But when the factory is commissioned and production starts, we find only 100 labourers. We have found such instances while working in the estimates Committee and the Committee on the Welfare of Schedule Castes Scheduled Tribes. There are many factories in the country which do not show any profit and exploit to poor labourers. If we want that the country should make progress and its economy should be strengthened, attention will have to be paid to it. The Resolution that Shri Pal has brought forward is a very good one. He is an experienced person. He has presented this matter after giving due thought to it. There are two streams of thoughts running at present. On the one hand there are people who are in favour of privatisation. On the other hand there are people who are in favour of privatisation. On the other hand, there are people who support nationalisation. It would be better if competition is held between the two so that the country may prosper. Today, the privatised companies in Bhopal, Calcutta are running in profit. But they would be given liberty to that extent only so that besides making their both ends meet, they earn something also. It should not be so that the labourers are deprived of their sustenance and they die of starvation. We have to do away with this injustice. Then alone the country can make progress.

So far as Himachal Pradesh is concerned, I would like to make a submission about it and conclude. The economy of this State depends on production of apple, potato, peach, apricot, plum and pear. Unless factories under private sector and Public sector are set up there and Financial assistance is given to them, our state cannot make progress. Nothing is done on a permanent basis in the State. A person comes, submits his application to set up industry there. He gets it sanctioned, takes loan from the Government and then neglects it. Then the unit becomes sick.

It does not provide any help to poor people. They cannot even be helped to set up factories. The Government should therefore take over the private factories. There was a railway factory in Nahan. It had its branches in Karnal and Delhi, but these days they are lying sick. I requested the Government that these factories should be taken over. When mills of Bombay could be taken over by Government, why cannot the factories of Himachal Pradesh be taken over. This factory is in my constituency. The present practice is not helpful to the labourers. Only talks should not be made to improve the lot of the labourers. It should be done practically. If we are serious about the upliftment of labourers, then their participation in management must be ensured. Unless their participation in the management is ensured nation cannot prosper. Finally, I would like to quote the following couplet:-

Resham ke glichaon per dhan an ka
betasota hai, Aur Jinki badaulat sab kuchch
hai, woh rat ko baitha rota hai Dhanwan
khajana bharta hai aur kanoon hifazat karta
hai Majdoor bechara ro-ro kar takdir ki syahi
dhota hai."

Madan Chairman, I would, therefore, like to submit that there should be participation of labourers in management. They would get respect. Only then this nation can prosper.

With these words I would like to thank my colleague who brought forward this Resolution and conclude.

[English]

SHRI SUDHIR GIRI (Contai): Madam, Chairperson, I extend my thanks to you for giving me a chance, to deliver upon the resolution brought forward by prof. Ruphand Pal. the resolution deals with the public undertaking problems and has demanded for the review of the policy.

[Sh. Sudhir Giri]

Madam, there are two aspects attached to it. One aspect is economy and the other aspect is political. Let us deal deep into the background which led to the establishment of public undertaking in our country.

Madam, during the British regime, there was exploitation and floundering; there was famine and lot of people were deprived of their basic amenities, basic needs. And in those days, the patriots, the freedom fighters of our country fought against the British regime with a promise to the people that after the removal of the British regime, they would provide the basic amenities to the people of India. We achieved freedom and humiliation to mankind came to an end in India in so far as we are concerned. It is also a fact that the Indian National Congress was the major party, was the major force to fight for the freedom of our country, although there were some other smaller parties which were fighting for the freedom. And the leaders of the Congress party came into a formula of compromise with the British Government. There is a compromise, I think, between the landlords and the industrialists of our country and the Congress on the one side and on the other the British Sovereign. When the power was transferred, the power was shared predominantly by the Congress people which was representing the landlords and industrial class of our people. So in 1949, the Constitution came into being; when, in the Constituent Assembly, the Constitution was being debated often, a sizeable section wanted that like the fundamental rights, basic provision for basic amenities of like should also constitute the fundamental rights of the Constitution. But because there was the dominant forces of landlords and the bourgeois that demand could not be acceded to in the Constituent Assembly. There were some leaders like Pandit Jawaharlal nehru who were imbued with some principles of socialism, some principles of social Justice. They also demanded that something should be done for the poor

people of the country. And then came the directive Principles of the state policy which were enshrined in our Constitution. The Directive Principles of state policy called upon the Government to take steps, so that the wealth of the country is not accumulated in a few hands of the country; that should be equally distributed among the people and a judicious distribution should be there but unfortunately Pandit Nehru though reigned for about fifteen years could not get into the problems and solve the problems of poverty and providing basic amenities of life to the people.

However, after Bombay plan it was Netaji Subhash Chandra Bose who wrote during the British Regime to Pandit Nehru delineating the contours of five year plans. He proposed that after achievement of freedom they would resort to such five year plans. However, subsequently Pandit Nehru also adopted the five year plans. In the five year plans it was a fact, it was amply deliberated, that there should be public undertakings on which the Government control should be established because the private undertakings, private ownership would not subserve the interests of the country. It is the public undertaking which would exclusively and intensely deal with the problems of unemployment, etc. It is the background of establishment of our public undertakings.

So not only the economic, but also the political aspect of it should be taken into consideration. If they do not take these things into consideration, then the whole objective of establishing the public undertakings would be lost. So I demand that the Government should review the perspectives of the public undertakings and review the disinvestment policy.

There has been a charge against the public undertakings that there is inefficiency. I know a public undertaking in which an executive has been appointed by the Central Government and that executive is squandering away lots of money by going here and

there and by getting into the cars and planes and doing nothing. On the other hand workers of the factory are not getting their salary every month. This is the sad aspect. If the politicians and bureaucrats' influence is taken away or if the bureaucrats do not exercise any influence over the executives, then the executives can work freely. They can work to subservise the best interests of the workers and of the industry itself. Instead of doing so, when the industry falls sick, it is referred to BIFR; it is declared sick; declared unviable; and the sick unit is thereafter closed. There are efficient managers, efficient workers; if they are given proper opportunity, if they are given proper atmosphere, they can prove their efficiency like the workers in the private sector.

It has been charged that the public undertakings are lethargy. Yes, they are lethargy because the executive officers are living luxuriously; they are squandering away money; they do not take into account or care for the interest of the country; they do not care for the people of the country; they do not care of the political aspect of the establishment of the public undertakings. So, there has been lethargy. But that can be removed and set right, if the proper steps are taken in this regard by the Government. It has been said that the public undertakings are expensive. Yes, I admit that they are expensive because there are overhead costs which go beyond the limits of the firm itself. So, it is outwardly expensive. But all these defects can be removed and can be set right, if the Government takes proper steps. It has also been argued that element of competition is necessary. We admit this. We also admit that the public undertakings should have the principles of competition with other industries. They are also ready, if they are given the proper scope and opportunity. If you do not provide them the opportunity, if you do not provide them the sufficient funds, they will be deprived of the basic opportunity and the basic atmosphere in which they can play their role very distinctively and freely.

so, this disinvestment policy should be reviewed as demanded by prof. Pal. One more point I would like to add here. The point is this. There is a motive, I think it is an ill-motive, which is working behind the formulation of the disinvestment policy. What is the motive? The administrators who were at the helm of administration of the country were found to be involved in the Security scam. They advise the Government to resort to liberalisation in industrial policy, liberalisation in economic and trade policies. It is amply clear to us that their motive was to gain personal interest. They wanted to make money and that is why they have advised the Government to resort to such principles and to such policies.

I also think that those advisors who are advising the Government to disinvest public share of the the public undertakings have also a motive and they are caring not for the interest of the country, not for the interest of the working class, not for the interest of the common people as a whole, but for the interest of their own self. So, this policy should be considered carefully.

I conclude by saying that this policy should be referred to the people as a referendum because neither from the Constitution nor from the Election Commission the present Government has got any authority to substantially change the industrial policy of our country, the policy relating to public undertakings.

MR. CHAIRMAN: We have already reached the time-limit allowed by the House. So, with the permission of the House, I think, the time-limit can be extended for another hour.

SOME HON. MEMBERS: yes.

MR. CAHIRMAN: so, I presume that with the permission of the House, we can extend this discussion for another hour.

[Translation]

PROF. RASA SINGH RAWAT (Ajmer): Madam chairman through you I would like to express my views on the resolution moved by Shri Rup Chand Pal, that regarding disinvestment policy in the public sector undertakings there is in fact urgent need to review it.

Suppose a person produced something and after sometime he is bent upon destroying that thing, or if a tree which does not bear fruit for one reason or other is cut down or a milch cow which stops giving milks is beaten and turned out, same is true of public sector undertakings in the present context. The situation is painful and also ridiculous.

I would like to submit that we had created public sector undertakings with great hope of making this country strong, of augmenting production in this country, of reducing foreign dependence and of making our country strong and powerful in every way and there is no doubt that, there are many public sector undertakings which have done commendable work and the results have also been very good and they are earning profit worth crores of rupees, but on the other hand, there are certain public sector undertakings wherein due to administrative inefficiency or due to the lack of adequate care they are in loss.

Madam Chairman the Government should have reviewed the working of all those public undertakings which are in loss well in time. If management or officials were incapable inefficient or incompetent, they should have been replaced or action should have been taken against them. But since a new industrial policy, has come in force and the changes in economic policy and the pressure of the world bank has been felt by us, and we have been getting foreign investment including that of N.R.I. Government has started disinvesting the shares of public sector undertaking. Government control is being removed and those shares are going

in the private hands. If a multinational company or foreigner gains control of these public sector Undertaking they will not give priority to the interests of the country as they do not have any love for this country, or for the people of this country. Whatever profit they earn will be sent abroad.

The workers all over the country are worried. I would like to submit that the policy of disinvestment of the government of public sector undertakings in the name of privatisation, liberalisation, and foreign investment is not only detrimental but also a big question mark on the self reliance of the country and public sector undertakings. The workers are apprehensive of the future. This thing which is causing serious concern is the golden hand shake. Workers are being forced to seek voluntary retirement and the lure is salary of a few months. In some cases workers as are being pressurised and retrenched and in this way the public sector undertakings are in process of being handed over to private sector.

Madam chairman, through you I would like to submit to the Government to review this policy otherwise we may become dependent on foreign countries and will have to beg from them. If this is done the day is not far when we may have to get everything from foreign countries. This is true about the D.T.C. also. D.T.C. is in loss to the tune of crores of rupees but at the same time there is no doubt that the public is being immensely benefitted by the D.T.C. There is need to remove the administrative deficiencies of improving the maintenance system, increase productivity and streamline the management. There is need to review these things. But if it is handed over to private sector or if the Government loses control over it public interest will be forgotten for ever because the prime motive of private sector is profit and we may have to suffer in future on that account.

I would like to give an example. I had gone to Gorakhpur to see a fertiliser factory. That factory has been closed for now almost

a year. There are 4000 to 5000 workers and it is spread over many miles. They are sitting at home and drawing their salaries, because all the machines are useless and the production of fertiliser has come to a standstill. As a result, employees are sitting at home and getting their salaries. The Government on its own whether at the level of the ministry or the secretariat or IFFCO, KRIBHCO should take action in this regard as this factory is a public sector undertaking. This kind of a situation is in fact causing concern.

I.D.P.L. is one of the biggest public sector undertaking which produces medicines. But now, the stat Government as well as the Central Government, Buy all mediacies for their dispesaries and small hospitals from the private sector. The private sector does not manufactrue quality medicines, or injections nor do they have so many resources. But because they give medicines at slightly cheaper rates or the practice of buying it though inviting tendrs is faulty, they succeed in supplying medicines of inferior quality to Government dispensaries and hospitals. Most of these pharmaceutical companies are located in small industrial areas whereas the public sector undertakings in this field are not able to compete and get the tender because of the high price of their medicine as compared to private companies.

Through you, I would like to submit to the Government that efforts should be made to encourage such big institutions or public sector undertakings. Priority should be given to those where the production is of high quality. Your should give priority to manufacture of those items in public sector undertakings if they are of a high quality. You should also try to improve their condition.

Besides, workers should not be removed or retrenched at all. Efforts should be made to improve condition of those undertakings where there is inefficiency, increase the production and make good the loss. But at the cost should these undertakings be handed over to private sector in the name of

Dunkel proposals, or under the pressure of the world Bank. I mean to say that we should not repeat history and compromise the sovereignty of the country as happened in the past in the case of East India Company. We should remain vigilant about it. There are many countries in the world of which Philippines is one, where a lot of privatization has been done .Today various problems have been created in capitalist America. It is true that communism has failed in orissa and the economy of communist countries has shattered completely. We have become apprehensive because of this , but the circumstances of our country are different. The control of Government should remain in our public sector undertakings even if they are on the basis of cooperatives being run with the help of private sector, Efforts should be made to give all kids of facilities to industries and production should be in the interest of the country.

With these words I fully support the resolution moved by Shri Rup Chand Pal.

SHRI RAMASHRAY PRASAD SINGH (Jahanabad): Madam Chariman, I would like to thank you for giving me an opportunity to speak. I would also like to thank the learned member shri Rupchand Pal who has moved his resolution. I suport the resolution which he has moved.

Madam, many of hon. members participated in this discussion and gave their valuable suggestions. The youth of our country had made great sacrifice to gain Independence. Many such names can be remembered in this connection.

After gaining Independence, we had thought that everyone will get equal rights whether they are in the economic of social field. But when we gained Independence, we realised that the reigns of power were not in the hands of workes. The poor worker class did not get freedom in the true sense of the term. He certainly fought the war of Independence, but the big landlords, capital-

[Sh. Ramashrav Prasad Singh]

ists and feudal had the real power. They began to mould the country in their own way

The first prime Minister of our country was Pândit Jawahar Lal Nehru. He ruled for 15 years. Being a great visionary he formulated many policies including the industrial policy. All these policies indicated his desire to take the country along a socialist path. But he did not pay full attention to the poor and the downtrodden. Perhaps he did not understand their pain. The consequences apparent to all of us today. He thought that privatisation would not benefit the country much. He was of the view that if industries are set up in the public sector, the country will prosper, become strong and make progress. His approach was absolutely correct. On the one hand we say we have not drifted from that policy but on the other hand there are many indicators to this effect. Nationalisation has increased the financial burden and that is why attention in being paid towards privatisation.

Whatever we gain from nationalisation or Government control is national gain. Our country is strengthened by this in every respect and we make progress. Even in privatisation the money is ours, but the profits are reaped by private entrepreneurs. These entrepreneurs have a little share in the business whereas the major share is of nationalised banks and many financial organisations but even then they remain the masters. About public sector undertakings they say that these are running in loss and that is why the Government is privatising them. If this Government propose to do this, it should not, because the national industrial policy had been made keeping in mind the public opinion in the entire country. If it has to be nullified let a popular consensus be built and invite suggestions as to what action should be taken in this regard. You do not have a right to do this on your own. The worst sufferers will be the workers who are

enjoying many benefits because of the rules under nationalisation. Under privatisation they will not get those benefits. What nationalisation gives privatisation can never give and workers will be exploited to the maximum. You might be aware that in England during the industrial revolution the workers had to work for 92 hours at a stretch. All this happened because of privatisation. At that time the workers thought that the machine was his enemy and that is why there was disorder. But today things are different. There are unions to raise demands and they know which is a better option—industries under Government control or Privatisation. Everyone knows it well but implementation is difficult.

I rise to support the cause of workers and would like to submit that if we give importance to the union....

(English)

MR. CHAIRMAN: Would you like to continue next time?

SHRI RAMASHIRAY PRASAD SINGH:
Yes Madam.

MR. CHAIRMAN: So, you can continue next time. Discussion is to be continued next time. Now, I request Shri Rameshwar Thakur to lay on the Table paper mentioned against his name.

PAPERS LAID ON THE TABLE

**Notification under Central Excises and
Salt Act 1994, and Customs Act, 1962
etc**

17.57 hrs.

(English)

THE MINISTER OF STATE IN THE
MINISTRY OF FINANCE (SHRI RAMESHWAR
THAKUR): Sir, I beg to lay on the
Table-