

it because it is the Government which has brought forward this legislation ... (Interruptions)...

PROF. RAM KAPSE: Madam...

THE DEPUTY CHAIRMAN: There is no need to take more time of the House. I have understood the whole thing. Let the Government react to it. I will go according to the procedure...(Interruptions)...

SHRI GURUDAS DAS GUPTA (West Bengal): Madam, the Government will react when the Bill is introduced.

THE DEPUTY CHAIRMAN: Let the Government react to it ...(Interruptions)... The Government would try to react to it.. (Interruptions)...

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. U. VENKATESWARLU): Madam, just now the Prime Minister stated that he will come back to this House after he receives the whole position. He will give a statement also. The hon. Prime Minister made this statement just now...(Interruptions)...

THE DEPUTY CHAIRMAN: At the moment, we are not taking up discussion or reply on U.P. At the present moment, we are taking up the Calling Attention, please. Mr. Dipankar Mukherjee. ... (Interruptions)...

SHRI S.S. AHLUWALIA: Let the statement come today.

THE DEPUTY CHAIRMAN: That is why he said it.

...(Interruptions)...

मैं कह रही हूँ कि अभी बिल पास नहीं हो रहा है। कृपया अपने कानों में आले लगाकर ध्यान से सुनें तो आपको पता लगेगा कि मैंने कहा है कि हम लोग यहां कॉलिंग अटेंशन ले रहे हैं। जब बिल आएगा तो उस वक्त हम देख लेंगे। हम हाउस में ऐसा कुछ नहीं करेंगे जो संविधान के खिलाफ हो। वही करेंगे जो कायदे में होना चाहिए, जो हमारी जिम्मेदारी है और जिससे वहां के लोगों को तकलीफ न हो। ऐसा न हो कि हमारे आपस के झगड़े में उनकी तनख्वाहें रुक जाएं।

श्री एस.एस. अहलुवालिया: महोदया, आपने कहा कि कान में आले लगाकर सुनें तो आले लगाकर तो दिल की धड़कनें सुनाई देती हैं, दूसरे की बात नहीं सुनाई पड़ती।

उपसभापति: दिल की धड़कनें के आले तो आप घर पर लगाया कीजिए। ये आले तो लोगों की आवाज सुनने के लिए हैं। ...(अवधान).. और मुझे इसमें शक है- अहलुवालिया जी ने बंद रखे हैं वे घर की भी दिल की धड़कन सुन पाते हैं या नहीं। दीपांकर जी, आप अटेंशन तो काल कीजिए।

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

Situation arising out of disinvestment of profit making Central Public Sector Units and non-revival of sick Central Public Sector Units due to lack of financial support and timely decisions

SHRI DIPANKAR MUKHERJEE: (West Bengal): Madam, I call the attention of the Minister of Industry to the situation arising out of the disinvestment of profit making Central Public Sector Units and non-revival of sick Central Public Sector Units due to lack of financial support and timely action.

THE DEPUTY CHAIRMAN: Mr. Minister.

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): Madam,

The Common Minimum Programme of the United Front Government recognises that the public sector, which has played a pioneering role in the early decades of development, will continue to be an important component of Indian industry.

It is our desire that the public sector should be strong, competitive and efficient. The policy and the strategy of the United Front Government is to support public sector companies with comparative advantages into becoming global giants, taking steps to further strengthen profit making and efficient PSUs, and try to rehabilitate sick or potentially sick public sector companies. A master plan for the units under the Department of Heavy Industry is under finalisation.

As promised in the Common Minimum Programme (a) Disinvestment Commission has been set up in August 1996 and has started functioning.

The budget for 1996-97 has taken credit for an amount of Rs. 5000 crores to be realised from disinvestment of equity in public sector companies. For the first two tranches for the current year, disinvestment of a small percentage in two PSUs is envisaged. Even after this disinvestment, Government would continue to hold a substantial majority of shares in these PSUs. Disinvestment from third tranche is proposed to be done on the advice of the Disinvestment Commission to whom 40 PSUs have been referred.

The selection of the companies to be disinvested in was on the basis of (i) attractiveness of the company for investors, (ii) the readiness of the company to go to the market, and (iii) their capital expansion plan.

As regards the non-revival of sick public sector units, it may be mentioned that the Common Minimum Programme clearly states the desire of the United Front Government to rehabilitate sick or potentially sick public sector units through a variety of options. Government is committed to such revival where it is economically feasible.

The causes for sickness in any industry, including the public sector are manifold, and vary from unit to unit. The strategy for revival has also thus to be enterprise specific.

Out of the total of 245 PSUs, of which 83 are sick, and 57 are before the BIFR. Of these, BIFR has approved of revival plans for 20, and action relating to these is at various stages. One unit namely, Biecco Lawrie has already been revived. In 9 other units, fresh infusion of funds over Rs. 310 crores has been committed along with a proposed write-off of over Rs. 897 crores and conversion of loan into equity over Rs. 176 crores.

It is not correct to say that lack of financial support or timely decisions are coming in the way of revival of sick PSUs. Where revival is economically feasible and operationally possible, Government are committed to doing so.

THE DEPUTY CHAIRMAN: We have one hour, please be precise.

SHRI DIPANKAR MUKHERJEE: Madam, I think, my time has not been

deducted... *(Interruptions)*...

THE DEPUTY CHAIRMAN: We will give you time.

SHRI DIPANKAR MUKHERJEE: Twenty minutes?

THE DEPUTY CHAIRMAN: No, no. Actually the mover should speak for ten minutes only, maximum fifteen minutes; others should finish in the rest of the time. ... *(Interruptions)*...

SHRI DIPANKAR MUKHERJEE: Madam, I do not want the time for myself. When I say this, it is for the public sector. Really, a time has come for us to pause and think before taking actions. Madam, you will agree that just like a country, industry also functions and survives provided there are two fundamental features addressed, whether corporate, private or public, by whatever name you call it. There are two essential components: It must have a mission—and it must have a vision. As far as the mission is concerned, the hon. Minister must be knowing that the public sector enterprises survey, even today, specifies seven objectives for the public sector. The performance of the public sector is to be measured in terms of goals and objectives—if these are not defined and are misdefined, there is no wonder, whatever may be the assessment, it will have no meaning and this is what is happening in today's statement. The seven objectives of the public sector are, right now, it appears, it is for the public enterprises—to help in rapid economic growth and industrialisation of the country; to earn return on investment and thus generate resources—this is one point which the Minister is harping on;—to promote redistribution of income and wealth; to create employment opportunities; to promote balance regional development; to assist development of small scale and ancillary industries; and, to promote import substitution, save and earn foreign exchange for the economy. These objectives do not necessarily follow the logic of the corporate objectives. It is very clear that despite the new economic policy, the Government of India has not changed the objectives. Madam, the objectives in the public enterprises survey remain the same right in 1996 as they were prior to 1991.

What has been changed is the operational basis of the functioning of the enterprises that is under the statement of Industrial Policy, 1991. Changes have been made in measures such as dilution of public ownership, reference of sick units to BIFR. While making these operational changes, the Government had claimed that it would examine problems of each unit on its merit. But, that has not been done. I think this new Government must—it was assured a long time back—specifically spell out in the form of a White paper the objectives that are expected to be achieved with the instrumentality of the State with reference to issue such as redistribution of wealth, promotion of balanced regional growth and promotion of import substitutions. Do these objectives remain part of a public sector enterprise? If so, in that White Paper the performance of public sector should be assessed in terms of specific parameters of these seven objectives. If the objectives have to be changed, let it be open. Let it be, as my friend Singla says that the public sector should be closed and everything should be privatised. If you give these seven objectives, then you should assess them. Madam, it was assured in the House a long time back that this White Paper would be issued. Instead of a generalisation of public sector, I would like the Government to appoint an expert body to bring out a White Paper cleaning the objectives of the public sector as to what it is and what it should be. This is what, as far as mission is concerned. Now, I am talking about the vision. What vision do we have, so far as public sector is concerned? I start with the problem arising out of disinvestment. The Government in its Industrial Policy of July 1991 declared the disinvestment of shares of selected public sector enterprises. Shares of more than Rs. 10,500 crores have been disinvested. What is its impact on the public sector enterprises' performance?

In the public ownership, it is only the ownership which determines the efficiency or the operational technical efficiency of a plant. If that is the case, Madam, when this new Economic Policy was formulated in 1991-92, there was a categorisation of sick and profit-making industries. Out of 239 or 245 public sector undertakings, 98 were termed as sick. And out of these 98 undertakings, 46 undertakings were those which were nationalised. Madam, 50 per cent of these undertakings were those which were taken

over from private ownership. Does it mean that they become sick because of ownership? There are lakhs and lakhs of units in private sector which are sick. So, I would like to know whether you have any such idea that it is the ownership which determines whether a company is sick or profit-making and what the efficiency of that undertaking is. I would like to give you some examples so far as ownership is concerned. Madam, the financial institutions hold the bulk of shares in most of the private sector enterprises. In TELCO, the financial institutions are holding 41.6 per cent shares, in TISCO they are holding 47.58 per cent, in Modi Rubber they are holding 51.4 per cent, in Mahindra and Mahindra they are holding 47.40 per cent and in L&T they are holding 40.79 per cent. This is what the financial institutions are holding in these big industrial houses. After the disinvestment during the last five years, we find that in many of the public sector companies like HPCL, Cochin Refinery, Madras Refinery and others like BHEL and BEML which are under the control of the Minister, more or less the public holding is coming down. It is 56 per cent, 67 per cent, 60 per cent, 32 per cent, 56 per cent and 51.8 per cent. We should ponder over it; the country must understand it and I would like to have the views of the hon. Minister regarding the financial institutions as they are holding shares. Should we argue that public ownership directly through the President of India holding the shares of enterprises, as it is in the case of public sector, is qualitatively different from the public ownership of the financial institutions whose ownership is also vested with the President by holding their shares? Is there any qualitative difference? In such a case, when the financial institutions are holding 41%, 55% and 50% in the private sector undertakings, why is no one talking about disinvestment of these shares? Why are people not talking about it? Why are you not thinking if it is only for the fiscal deficit which you want to manage through this disinvestment? That is the only objective of the Finance Ministry, not of Mr. Maran. If this is so, then why not privatise the private sector first? Why not disinvest the shares of the financial institutions? No one is talking about that. This is my second question.

Now, I come to the Common Minimum Programme. But, before that, my next question to the hon. Minister is, whether he has got any figures for the period 1992—96. I would like

to know out of 10,500 crores which are disinvested, how much money was invested in helping, in augmentation, expansion or revival of any public sector undertakings. Madam, a reference to CMP has been made. The CMP says about disinvestment, I quote, "It is widely acknowledged that the public sector requires to be reformed and restructured. United Front will identify the public sector companies that have comparative advantages and will support them in their drive to become global giants. Other profit making and efficient public sector companies will be strengthened, management professionalised and participation of workers in the management of the companies will be encouraged." So, for profit making companies, the CMP says four things: efforts to make global giants where ever possible, strengthening the companies, managements to be professionalised and participation of workers in the management. Now, out of these three components so far as strengthening the profit making public sectors is concerned, which component is being stressed right now? Has anyone heard about these things? Has any participation of workers in the management newly started or if something has been done, will the hon. Minister enlighten us?

What is being talked about the sick units is, the United Front will establish a Disinvestment Commission to advise the Government for taking appropriate steps. Any decision to disinvest will be taken and implemented in a transparent manner. That means, the Disinvestment Commission is to advise the Government on these steps. Which steps? The steps which I have just now quoted. That is for profit making organisations. The sick companies will be rehabilitated through the menu of actions, etc. It was envisaged that the Divinvestment Commission would advise the Government on these steps. Nowhere was it said that the first and foremost job of the Government will be to disinvest first and then go to the Disinvestment Commission. Madam, I am quoting from a reply given in this House on 9th December, 1996, by the hon. Minister for Industries who is present here, wherein he says about the terms of reference of the Disinvestment Commission: "The broad terms of reference of the Commission are as follows: one is, to draw a comprehensive overall long-term disinvestment programme within the next five to ten years for the PSUs referred to it by the core group." This is not clear to me. I do

not know whether it is clear to anybody. The second is, 'terms of reference.' It is specifically mentioned that a core group will be formed. Actually, this core group will be deciding everything. What for then is this Disinvestment Commission? The CMP says, the Disinvestment Commission will advise the Government on what the Government has to do about the profit making companies or even about the sick ones. But, here, it is said, "to draw a comprehensive overall long-term disinvestment programme for the public sector undertakings referred to it by the core group." It means, the basic job is going to be done by the core group. What is this core group? Would the hon. Minister kindly inform us? When this core group is set up, what exactly the Disinvestment Commission going to do if it has only to advise the modalities of disinvestment? I am afraid, this does not go along at all with the Common Minimum Programme. It has been specifically mentioned in the Common Minimum Programme that the job of the Disinvestment Commission would be an advisory one *vis-a-vis* bringing about improvement in the public sector; be it a profit-making unit, or, a loss-making unit. This point needs to be cleared, as well as the point regarding the function of the so-called core group.

THE DEPUTY CHAIRMAN: Thank you.

SHRI DIPANKAR MUKHERJEE: No, Madam, I have a few more questions.

I would again advise the Minister. I understand the problem of the Industry Minister. After all, all this disinvestment which is being done is for the Finance Minister. He wants money. He wants to raise resources. That was the intention of the earlier Government also. It is part of the budgetary exercise. But why should the Industry Ministry be involved in this exercise? In an exercise which is to be done by the Ministry of Finance, why should the Industry Ministry be involved? This point is not clear to me.

What I find is that, in his Ministry, some thinking is there that 10 per cent of the disinvestment would go to the public sector; the rest would go to health and education. My specific question, in this connection, is this. The same thing was said by the earlier Government also. A major portion of the money from disinvestment would go to the social sector. From the disinvestment done this

year, if so much of money is going to be used for the social sector, does it mean that next year, there would be no money for the social sector; for health and education? If there is disinvestment at one go now, does it mean that next year, the social sector would not be looked after? Does it mean that next year, health and education would not be looked after? This is not a solution. We have to think about it. This is a question where all of us have to think about it. This is not the kind of a solution, so far as taking care of the social security aspect is concerned.

I have already questioned the scope of disinvestment.

I now come to the industries under the Ministry of Industry. What is the position of sick industries under the Ministry of Industry? This is my last question, Madam. What are the reasons for sickness? Now, there are 48 or 49 industries under the Ministry of Industry. Out of this, 26 have been referred to the BIFR. Fifteen or sixteen units are profit-making units. Twenty-six have been referred to the BIFR.

I do not understand one thing. I am not sure. I do not know whether I am correct or not. If I am not correct, the hon. Minister may kindly correct me. Is it a fact that other than BHEL, in the case of most of the profit-making units, a thinking is there to disinvest and go for joint ventures? How does this go along with the CMP? Strengthening their efficiency is one thing. But disinvesting a profitmaking unit and going in for a joint venture is entirely a different thing. How has this decision been taken I do not know whether it is true. Has such a decision been taken, or, these units would remain as they are?

Is it a fact that in the case of these industries — I can give the names also — in the case of these fifteen industries, it has been decided to go up to 75 per cent disinvestment? In that case, there would be nothing left in the public sector at all. What are we talking about then? Is it the last discussion that we are going to have on the public sector? I do not think so. But there is this kind of thinking in certain circles. It is not good. I hope the hon. Minister would clarify that this kind of a cloudy thinking is not there and that there is some clear thinking in this regard.

What are you doing to strengthen the public sector units, so far as professional management is concerned? Nothing has been mentioned by the hon. Minister in his

statement about the professional management aspect. How are you going to strengthen them? Would it be by giving more functional autonomy to them? What are you going to do in this area? If you are going to disinvest up to 75 per cent, nothing would remain in the public sector. I would like to know whether in the case of the units which are sick, any disinvestment is being done and whether there is any proposal to go in for joint ventures. I do not think so; excepting in the case of one unit, *i.e.* Damodar Cements.

Madam, what about the 26 sick units? I have the list with me. I am sorry. It is the legacy which the hon. Minister has inherited. What does this list show? There are 245 public sector units. Out of this, 60 units have been referred to the BIFR. As I pointed out earlier, 26 units under the Ministry of Industry have been referred to the BIFR. Out of the 60 units referred to the BIFR, 38 units were referred to the BIFR in 1992. It is now four years since they were referred to the BIFR. Who is delaying it? Time is the essence of revival. Who has delayed it? If the earlier Government was not delaying it, if the present Government is not delaying it, who is delaying it them? Would the Minister come out with a specific record that these are the undertakings for revival schemes which are lying with the BIFR because no decision has been taken by the BIFR? I can quote case after case where revival schemes have been sanctioned by the BIFR and there has been a delay. In the case of Braithwaite, the scheme was sanctioned in October 1995. When did the implementation start? After the new Government has come, that is, after eight months. Should we say that there was no wastage of time? Mr. Minister, the procedure that you are following right now is contradictory.

Madam, if a company is sick, you refer it to the BIFR. If the BIFR says that it should be wound-up, there has to be a winding-up order. The Ministry says, "We do not take any time; the winding-up order is immediately issued. We will follow what the BIFR says". If the BIFR says that it is a scheme prepared by the operating agency, this can be revived provided money is invested because no sick industry can be revived without some money. At that time the whole game starts. At least, that has been the exercise for the last four, five years. The dribbling game now starts: The Secretaries will sit, the Group of Ministers will sit, then it will go to Finance, Finance to Industry, Industry to

this. And, even after two, three years decisions have not been taken. When was the last revival scheme drawn up by the BIFR, say, for Burn Standard or for Jessops? How many companies should I name? Now that you have got the National Renewal Fund, do you have any funds so far as the revival of sick industries is concerned? Do you have any fund with you except for non-Plan support which is being given for salaries and wages? Do you have any working capital support for these units till they are cleared by the BIFR? Would you kindly say what is the time-frame which you have set from your side, from the Government side—I do not mean Mr. Maran only but all the other concerned Ministries—in that if a scheme is prepared by the operating agency, this is the time within which the Government of India will treat it as one single entity and clear the package?

Next point: will you please tell the Finance Minister that in every Budget, just like the NRF he has to keep a rotating fund for revival so that again he should not wait for the next Budget to give money for the revival schemes?

Madam, I will end with only six questions to the Minister regarding the policy framework.

THE DEPUTY CHAIRMAN: I think now you have to wind up *fast... (Interruptions)*. He has taken a lot of time. There are other speakers also who want to speak on it.

SHRI DIPANKAR MUKHERJEE: One: Regarding sick PSUs there is a lack of policy framework. Therefore, I would like the Government to clear five, six points. Otherwise all this revival will be only an exercise which is being done for the last six years.

Would the Government write off all non-Plan loans together with the interest accumulated on them? As for the Plan loans, would the Government agree to a measure of relief for conversion of a part of the Plan loan into equity? With regard to the fresh funds required for rehabilitation, say, upgradation of technology, etc., what would be the Government's attitude? Would it decline the role of a promoter even if viable techno-economic schemes are feasible, as in the case of the Tyre Corporation? Would the Government, as a matter of policy, direct the financial institutions not to discriminate between private sector and public sector in the matter of rehabilitation schemes? And, lastly—this is a major question—it is a part of the Sick Industrial Companies Act that a sick company can be

merged with a healthy company so as to rehabilitate it. I would like to know whether any survey has been made with regard to these 60 units which have been referred to the BIFR by the Government—earlier Government or the present Government—as to how many of them are having the same type of functions as some other healthy units are having, and whether any merging possibility can be explored. In how many cases has a sick industry been merged with a healthy industry and thus rehabilitated?

Madam, I am not touching the question of labour. Regarding surplus labour, I will only end with one sentence.

This is what was I told by the Japanese Productivity Council when I went there a few months ago. I was sent there by Mr. Maran only. They said one thing about labour—Management relations. Mr. Singla is here. They said, "The management-labour relations in Japan which are treated as ideal in many other countries are so only for two reasons." I was shocked. He was not a communist. He was the President of the Japanese Productivity Council. He said:

"Number one, security of employment to labour."

"Number two, sharing of information."

He said, "I am telling this to you as a capitalist in a living capitalist system."

Madam, I would like the new Government to note this point. When you are talking about the VRS or redeployment, you are not talking with labour. Please share information. Please talk to unions face to face when you go there. Whether it is disinvestment or revival, please talk to the unions and other people face to face before taking a decision. There should be no such thing which leads to revival at the cost of someone else or stoppage of work at the cost of workers.

Thank You.

श्री जलालुद्दीन अंसारी (बिहार): मैडम, माननीय उद्योग मंत्री जी ने ध्यानाकर्षण प्रस्ताव के उत्तर में अंत में कहा है कि:-

यह कहना सही नहीं है कि वित्तीय समर्थन और समय पर निर्णय न लिए जाने के कारण सार्वजनिक क्षेत्र के कारखानों की यह स्थिति हुई है।

मैं यहीं से कहना चाहता हूँ। हमारे साथी श्री दीपांकर मुखर्जी ने बताया और हम सभी जानते हैं कि पिछले पांच-छः वर्षों से सार्वजनिक क्षेत्र के जो कारखाने हैं, कम्पनियाँ हैं, वे रिवाइवल पैकेज के अंदर पड़ी हुई हैं और

वित्तीय अभाव के कारण जो रिवाइवल पैकेज इस बीच में पारियली बना भी, वह भी पूरा नहीं हो सका और उसका कारण है कि जो बकिंग कैपिटल मिलना चाहिए, वह नहीं मिलता है-न सरकार बजट में उसकी व्यवस्था कर पाती है और न वित्तीय संस्थानों से जो मदद दिला सकती है, वह भी नहीं दिला पाती है-जिसके कारण यह रिवाइवल पैकेज पूरा नहीं हो पाता है। इसलिए मैं मंत्री जी से कहना चाहता हूँ कि संयुक्त मोर्चे की सरकार ने पुनः इस बात को कबूल किया है कि सार्वजनिक क्षेत्र के कारखानों और कम्पनियों को हम पुनर्जीवित करेंगे, जो बीमार हैं, तो पुनर्जीवित करने के लिए आप कदम उठाइए। मैं चर्चा करना चाहता हूँ हिन्दुस्तान फर्टिलाइजर कॉरपोरेशन और फर्टिलाइजर कॉरपोरेशन के जो हमारे खाद कारखाने हैं, कम्पनियाँ हैं उनके बारे में प्रपोजल ग्रुप आफ मनिस्टर्स के यहां गया। ग्रुप आफ मनिस्टर्स ने अभी तक क्या निर्णय किया? वे विचारधोन हैं और आप कहते हैं कि हम समय पर निर्णय लेते हैं। अगर आप समय पर निर्णय लेते तो निश्चित तौर पर रिवाइवल पैकेज की जो योजना है और उसके लिए जितनी वित्तीय आवश्यकता है, उतना आप दे पाते और इस रिवाइवल पैकेज को पूरा किया जा सकता था। इस तरह से जो खाद के कारखाने हैं, उनकी स्थिति को सुधारने के लिए अभी भी कमेटी के अंदर बातें पड़ी हुई हैं, कैमिकल एंड फर्टिलाइजर मनिस्ट्री ने अपनी रिपोर्ट में भी यह दर्शाया है।

एक दूसरा उदाहरण मैं देना चाहता हूँ। मैं पालिसी की बात नहीं करूंगा। पालिसी की बात हमारे साथी दीपांकर मुखर्जी ने विस्तार से की है। इस देश में आई.डी.पी.एल. की 5 इकाइयाँ हैं। आई.डी.पी.एल. जीवन-रक्षक दवाइयाँ बनाती है। हमारे देश में अभी तक बदकिस्मती से प्लेग, कालाजार, कई किस्म के मलेरिया आदि रोग फैलते रहते हैं, उसके लिए आई.डी.पी.एल. जो दवाइयाँ बनाती है, उनका उपयोग होता है। आई.डी.पी.एल. की इन 5 यूनिटों की क्या व्यवस्था है? 2 यूनिटों को तो आपने सब्सिडियरी घोषित कर दिया है जिसमें कि बिहार के अंदर जो मुजफ्फरपुर इकाई है, वह बंद पड़ी है।

अशरी जलाल الدین انصاری "بہار":
میڈم-مانٹینے ادرھیوگ منتری جو نے
دھیان اکرشن پرستار کے اثر میں انت
میں کہہ رہے کہ

یہ کہنا صحیح نہیں ہے۔ کہ وہیں منتری
صبر تھن اور سب سے بڑے نیسے نہ لے جان
کے کارن ساروجنک چیئر کے کارخانوں
کی یہ استغنی ہو رہے۔

میں یہیں سے کہنا چاہتا ہوں ہمارے
ساتھ منتری دیپاندر مکھوجی نے بتایا اور
ہم سمجھ جاتے ہیں کہ کچھ پانچ چھ اور
سے ساروجنک چیئر کے جو کارخانے ہیں۔
کمپنیاں ہیں۔ وہ ریور اول بیکریج کے
اندر پڑی ہوئی ہیں۔ اور وہیں اجواء
کے کارن جو ریور اول بیکریج اس بیج میں
پار شیٹلی بنا جس۔ وہ بھی پورا نہیں ہو
سکا اور اسکا کارن ہے کہ جو ورکنگ
کی پیش ملنا چاہیے وہ نہیں ملتا۔ نہ
سرکار بجٹ میں اسکی ویوسٹیا کر
پاتی ہے۔ اور نہ وہیں مستحقانوں سے
جو مورد لا سکتی ہے۔ وہ بھی نہیں دلا
پاتی ہے۔ جسکے کارن یہ ریوریکول
بیکریج پورا نہیں ہو پاتا ہے۔ اسلئے
میں منتری جی سے کہنا چاہتا ہوں کہ
سبکداری کی سرکار نے دو بارہ
اس بات کو قبول کیا ہے۔ ساروجنک
چیئر کے کارخانوں اور کمپنیوں کو دو بارہ
زندہ کرینگے۔ جو بیمار ہیں۔ تو دو بارہ

فائدہ کرنے کیلئے آپ قدم اٹھائیے۔ میں
جر چارٹر ناچا ہتا ہوں۔ ہندوستان فریڈلڈ
کارپوریشن اور فریڈلڈ کارپوریشن
کے جو ہمارے کھاد کارخانے ہیں۔ کمپنیاں
ہیں لکھنؤ میں پرپوزل گروپ آف
منسٹرس کے یہاں گیا۔ گروپ آف منسٹرس
نے اسے تک کیا فریڈلڈ کیا۔ وہ چار آرڈر
ہیں اور آپ جانتے ہیں کہ ہم سے پرپوزل
ہیں۔ اگر آپ سے پورے فریڈلڈ کرنے کو
پورے ریویو کیلئے کیلئے جو جو ہے۔
اور اس کے تحت تین آؤٹسٹاک ہے۔
اتنا آپ دے پائے۔ اور اس ریویو کیلئے
پبلیک اور پورے ریویو کیلئے اس کے
جو کھاد کے کارخانے ہیں ان کی اسٹریکچر
سہارا کرنے کیلئے اس میں بھی کمی ہے اور
ہاتھ بڑی ہوئی ہیں۔ پبلیک اور فریڈلڈ
منسٹری نے اپنی رپورٹ میں یہ درج کیا ہے۔
ایک دوسرا ادھار میں دینا چاہتا ہوں
میں پالیسی کی بات نہیں کروں گا۔ پالیسی
کی بات ہمارے سامنے پیمانے پر مقرر
وستار سے کی ہے۔ اس دیش میں آئی۔
ڈی۔ جی۔ ایل۔ کی پانچ کامپنیاں ہیں۔
آئی۔ ڈی۔ پی۔ ایل۔ جیون لکسٹک
دوریاں بناتی ہے۔ ہمارے دیش کے
لئے میں اسے تک بد قسمتی سے پبلیک۔

مالدار۔ کئی قسم کی ملیریا اور غیر روک
پھیلے رہتے ہیں۔ اس کے لئے آئی۔ ڈی۔ پی
ایل جو دوریاں بناتی ہے۔ انکا ایجوگ
ہوتا ہے۔ آئی۔ ڈی۔ پی۔ ایل کی ان پانچ
یونیٹوں کی کیا اور مستط ہے۔ دو یونیٹوں
کو تو اپنے سبسائیڈی گھوسٹ کر دیا
ہے۔ جس میں کے ہمارے اندر جو مظہر
الائی ہے۔ وہ بھری ہے۔

उपसभापति: एक मिनट, मैं आपका ध्यान इस ओर
दिलाना चाहती हूँ कि यह जो कालिंग अटेंशन होता है,
इसमें पहला स्पीकर जो होता है, वह विस्तार से बोल लेता
है। आप अगर प्रश्न पूछ लेंगे तो जितने नाम मेरे पास हैं, मैं
सबको बुलवा सकती हूँ।

श्री जलालुद्दीन अंसारी: ठीक है, मैं ज्यादा समय
नहीं लूंगा। मैं केवल कुछ उदाहरण देना चाहता हूँ कि
इनकी स्थिति क्या है। हैदराबाद की जो आई.डी.पी.एल.
की यूनिट है, वह पिछले 2 महीनों से बंद पड़ी है और आप
कहते हैं कि फाइनेंशियल सपोर्ट भी देते हैं और टाइमली
डिसीजन भी लेते हैं। अगर फाइनेंशियल सपोर्ट आप देते
हैं और टाइमली डिसीजन भी लेते हैं तो मैंने जो ये 2
उदाहरण दिए हैं, आप इनकी तरफ देखिए, इनको इस खुरी
हालत से बचाया जा सकता है। मैं आपका ज्यादा समय
नहीं लेना चाहता हूँ। मैं यह कहना चाहता हूँ कि आप
कहते हैं कि इकनामिक फीजेबिलिटी होने पर ही हम
फाइनेंशियल सपोर्ट देते हैं। इकनामिक फीजेबिलिटी तो
होनी ही चाहिए, इसमें कोई दो राये नहीं हो सकती लेकिन
क्या यह सच्चाई नहीं है कि पब्लिक सेक्टर का जो मिस-
मैनेजमेंट है, उसकी जो कुव्ववस्था है, उसके कारण पब्लिक
सेक्टर को बहुत बड़ा नुकसान हो रहा है। क्या उसकी
फिजूलखर्ची को आप बंद करेंगे, उसके मनमानेपन को
आप बंद करेंगे? वे माजायज तरीके से पैसे खर्च कर रहे हैं
और फैक्टरी को चलाने के लिए, उसके उत्पादन को बढ़ाने
के लिए जो उनको पहल करनी चाहिए, मैनेजमेंट और
वर्कर्स का जो पार्टिसिपेशन होना चाहिए, जो कंट्रीब्यूशन
होना चाहिए, उसको वे नहीं कर पाते हैं।

महोदया, पहली सरकार भी कहती रही है और यह सरकार भी कहती है कि हम मैनेजमेंट में वर्कर्स का पार्टिसिपेशन कराएंगे। कब कराएंगे? अभी तो कहा है। अभी तो इसको शुरू कीजिए ताकि वर्कर्स और मैनेजमेंट मिलकर उत्पादन बढ़ाने में मददगार साबित हो सकें। इसके लिए आपको ठोस कदम उठाने चाहिए। इसके लिए मैं मंत्री जी से कहना चाहता हूँ कि बी.आई.एफ.आर. में कोई भी मामला बहुत दिनों तक पड़ा रहता है। आपने अपनी रिपोर्ट में कहा है कि जो सार्वजनिक क्षेत्र के 245 कारखाने हैं, उनमें 83 सिक हैं, 57 बी.आई.एफ.आर. के पास हैं और बी.आई.एफ.आर. ने 20 के लिए एप्रूव किया है। जिन 20 कारखानों का एप्रूवल हो चुका है, उनके रिवाइवल के लिए क्या कार्यवाही हो रही है? इसके लिए आप क्या कर रहे हैं, यह मैं आपसे जानना चाहता हूँ। अंत में मैं सरकार से यही कहना चाहता हूँ कि सरकार अपने कमिटमेंट को, प्रतिबद्धता को याद करे और पब्लिक सेक्टर के जो चौमार कारखाने हैं और जिन कारखानों से वे बीमार हैं, उन कारखानों को दूर करते हुए इस देश की जनता के हित में, देश के हित में, उद्योग के हित में, वर्कर्स के हित में इन कारखानों को सुनिश्चित तरीके से रिवाइव करने का काम करे। धन्यवाद।

انٹرنی جلال الدین انصاری جہاڑی: ...
 ٹیکٹ ہے۔ میں زیادہ سے نہیں لوں گا میں
 کیوں کچھ ادا کرن دینا چاہتا ہوں۔ کہ انہی
 استحقاق لگا ہے۔ حیدرآباد کی جو آئی۔ ڈی۔
 بی۔ ایل۔ کی یونٹ ہے وہ پچھلے دو مہینوں
 سے بند پڑی ہے۔ اور آپ کہتے ہیں کہ
 فائینانشیل سبپورٹ بھی دیتے ہیں اور
 ٹائملی ڈسبزن بھی دیتے ہیں اگر فائینانشیل
 سبپورٹ آپ دیتے ہیں اور ٹائملی ڈسبزن
 بھی دیتے ہیں تو میں نے جو یہ دو ادا کرن
 دیتے ہیں آپ انکی طرف دیکھئے۔ انکو اس

† [] Transliteration in Arabic Script.

بہری حالت سے بچا یا جا سکتا ہے۔ میں انکا
 زیادہ سے نہیں لینا چاہتا ہوں۔ میں یہ
 کہنا چاہتا ہوں کہ آپ کہتے ہیں کہ اکانومک
 فیجیسٹیبل ہونے پر ہی ہم فائینانشیل
 سبپورٹ دیتے ہیں۔ اکانومک فیجیسٹیبل
 تو ہونی ہی چاہیے۔ اس میں کوئی دو رائے
 نہیں ہو سکتی۔ لیکن کیا یہ سچائی نہیں
 ہے کہ پبلک سیکٹر کا جو مس مینجمنٹ
 ہے۔ اسکی جو بد انتظامی ہے اسکی کارن
 پبلک سیکٹر کو بہت بڑا نقصان ہو رہا ہے
 اسکی فضول خرچی کو آپ بند کرینگے اسکی
 من مانے پن کو آپ بند کرینگے۔ ورنہ جانکر
 طریقے سے پیسے خرچ کر رہے ہیں۔ اور غیر
 کو جاننے کیلئے اسکی اتھارڈ کو بڑھانے کیلئے
 جو انکو پہل کر رہا ہے۔ مینجمنٹ اور
 ورکرس کا جو پارٹیسپیشن ہو نا چاہیے
 جو کٹری میوشن ہو نا چاہیے اصل کو
 نہیں کر پاتے ہیں۔

مہودیا۔ یہی سرکار میں آتی
 لہی ہے اور یہ سرکار میں کہہ رہی ہے۔
 کہ ہم مینجمنٹ میں ورکرس کا پارٹیسپیشن
 کرینگے۔ کب کرینگے۔ ابھی تو کہا ہے ابھی
 تو اسکو شروع کیجئے تاکہ ورکرس اور مینجمنٹ

ملکر اتیلیں بوجھانے میں مددگار ثابت ہو سکیں
 اسلئے آپ کو خوش قسم افغانے چاہیے۔ اسکے
 لئے میں متفری جی سے کہنا چاہتا ہوں۔ کہ
 پی۔ ای۔ ایف۔ آر۔ میں کوئی بھی معاملہ
 بہت دنوں تک پزار رہتا ہے۔ آپ نے اپنی
 رپورٹ میں کہا ہے۔ کہ جو سارو جنگ جھپتر
 لیکھے ایپرو کیا ہے۔ جن بیس ملاخاؤں
 کار پروول ہو چکا ہے۔ اسکے ریوایٹول
 لیکھے کیا کارروائی ہو رہی ہے۔ اسکے لئے
 آپ کیا کر رہے ہیں۔ میں آپ سے جانتا
 چاہتا ہوں۔ انت میں میں سرکار سے یہی
 کہنا چاہتا ہوں کہ سرکار اپنے کٹھنٹ کو
 پر تبیدد عتا کرنا دے اور پبلک سیکرٹ
 کے جو بیمار ملاخانے میں او دجن لڈوں
 سے وں بیمار پر ان کاروں کو دور کر کے
 ہوئے اس دیش کی جنتا کے صحت میں
 دیش کے صحت میں ادھیوگ کے صحت میں
 ودرکس کے صحت میں ان کارخانوں کو
 سنشچیت فریقے سے ریوایٹول کرنے کا کام
 کرے۔ دھنیوادی۔
 دھم شستتا

SHRI V.P. DURAISAMY (Tamil
Nadu): Madam Deputy Chairman, after the
United Front Government took over charge
at the Centre, there has been a sincere effort
on their part to boost the industrial growth
of this

† [] Transliteration in Arabic Script

country. I take this opportunity to thank the
hon. Minister of Industry for the great work
which he has been doing for the industrial
development in the country. The reason for
disinvestment of certain public sector units
is to modernise the existing industries. The
Government has gone in a big way for
introducing new infrastructure which is
necessary to fulfil social commitments. For
modernisation of industry, enormous funds
are required. So, I do not see anything
wrong in the disinvestment of some public
sector units. The Government is taking all
necessary steps to introduce many new
schemes for industrial development. I want
to say a few words about the sick units. The
question of livelihood of workers is
involved. The Ministry has been taking
steps to revive sick units through the BIFR.
But it becomes difficult to revive more sick
units. So, I appeal to the hon. Minister to
kindly save sick units through the BIFR. In
whatever way he wants to save those sick
units, he can do it. Thank you.

THE DEPUTY CHAIRMAN: Thank
you. I hope every Member would emulate
you.

SHRI TRILOKI NATH
CHATURVEDI (Uttar Pradesh): Madam
Deputy Chairman, I read with great interest
the statement of the hon. Minister. The
decline of the public sector from the
commanding heights is very alarming. I do
not want to go into all those historical
details. So far as my party is concerned, we
do not stand by ideological commitments to
the public sector or the private sector, but
the logic of the national sector dictates our
policy. Our criticism is therefor based on
sequencing, timing and the procedural
questions.

Madam, when Dr. Manmohan Singh,
the then Finance Minister had initiated this
process, he did consult some of the political
parties. Immediately after the delegation of
the CPI, our delegation headed by Dr.
Murli Manohar Joshi of which I was a
Member was

received. We gave him a number of suggestions. At least five or six of them were very important. They are now being talked about, again and again. One of them was also about the Disinvestment Commission which was also on the agenda of our short-lived Government. It is a matter of gratification that the C.P.I. has also incorporated it. So far as this policy of disinvestment is concerned, there is still a lot of confusion. I have with me copy of a letter written by Shri Surjeet to the Prime Minister and also a copy of the statement of the CPI. But I do not want to quote from these documents. I only want to draw the attention of the House to a resolution passed at the conference of the ruling Janata Dal. I think here arises the confusion. Before I seek a few clarifications, I would like to quote from their resolution: "While the Government has appointed the Disinvestment Commission for the privatisation of PSUs, it has not laid down any clear policy guidelines about its programme on privatisation." Here the word "privatisation" sounds rhetoric. The word "liberalisation" is also being used. Here at least there is an admittance or a confession of "privatisation".

It further says: "Indiscriminate privatisation can only hurt India's long term economic interests." This is what they have stated which creates confusion. That is why a number of points were raised earlier also. I would like to seek some clarifications from the hon. Minister. Firstly, I would like to seek a clarification about the Disinvestment Commission. It is a five member Commission. I think the Chairman of the Commission is an extremely knowledgeable and a very experienced person. Those who are the Members of the JPC, including the Minister himself, will bear me out, when I say that he was the only official, who acquitted himself with credit, in tendering his evidence with candour, before the Joint Parliamentary Committee. I wish it had been so with all the members. Some of them are knowledgeable. But about one particular member, there has

been some adverse reference earlier also, and I think, this was in connection with the SAIL. The Disinvestment Commission should be above board. That is why I request the Minister to look into this particular problem.

The second thing, which of course, is very minor, but most important, is about staff and the office of the Commission. Has the necessary infrastructure been provided to them? I have with me a large number of interviews etc. of the Chairman of the Commission, and also other write-ups which say, so far as the work of Commission is concerned, there have been a large number of problems. I think this is the point which must be clarified because you have given two branches to the core group which is facing some problem. The core group is the empowered group of Secretaries, and here the problem arises. There are pulls and pressures within the Ministry, which has the Department of Public Enterprises, and it is very difficult for them to shed their powers, despite all the liberalisation. That is the reason why out of the forty units, which have been entrusted to the Disinvestment Commission not a single unit belongs to the Ministry of Industry. I would just like to make one submission relating to the terms of reference, which you read out. It has been stated that you would like to draw a long-term disinvestment programme within five to ten years. Now, when will this long term programme be worked out? That is very important question. I am raising it for the simple reason that the Chairman of the Commission has been saying it all along that the primary requisite is the recasting or the restructuring of the public sector units if the nation has to derive the maximum income out of its earlier investment. I would not like to go into details at the moment. That is why I just want to know the policy of the Government in respect of restructuring of the public sector units, whether it is managerial, organisational or financial. The statement makes a mention about his own Ministry. It has been stated that a plan has been made in respect of 49 units. When will this plan be available to us because

we have been hearing about it for quite some time? So, because of all these pulls and pressures, why have you made the Commission an advisory body and why have you not made it a statutory body, like the BIFR? That was the suggestion which was made by us, and which I think has been made by many experts, from time to time. The suggestion was, if you want to insulate politics and look into the interests of the workers and the technological capabilities that have been built up it should be completely immunised from all kinds of selective pressures which are being brought on it in respect of the way in which the disinvestment should be made and to what extent. Mr. Minister, this is one of the things which I would like to know from you.

I would like to know from you why these two tranches are given to the empowered group or the Committee of Secretaries. This is a Committee of Secretaries. You have been talking all along that the public sector should be removed from the apron-string of the Government. I don't want to go into bureaucratisation, delay in decision-making and so on. I have before me a paper which, I understand, was prepared at your instance by SCOPE where they have mentioned many of these things. Instead of handing over it to the Disinvestment Commission, you have left it to the empowered group or the Committee of Secretaries in the usual routine manner and that is why all this kind of selectivity is there. If disinvestment is to be made, it should not be in the telecom way or in the Bailadila mines way which have become synonymous for sleaze and other kinds of malpractices. It should be done on scientific grounds.

What I would also like to know from the hon. Minister is that if these two tranches are to be given to the so-called empowered group, why this Disinvestment Commission is not also associated with it so that, if any professional approach has been evolved by this empowered group, it could be made available to the Disinvestment Commission for its future programme.

The Minister has said that one of the terms of reference is to supervise the overall sale process and take decisions on the instruments as well as pricing. Now this completely contradicts what the Chairman of the Commission has been saying that so far as the Disinvestment Commission is concerned, the Commission's job is not to handle the actual disinvestment of shares or involve itself in price fixation. The concerned PSEs or PSUs and their administrative machinery should do all that. Here a number of other problems arise. Many a time it has been stated that the disinvestment can go up to 74%. We do not yet have a clear-cut classification or categorisation of the core sector, the strategic sector and the so-called non-core sector. If a list of all the public sector undertakings is produced before the House, we can know as to how we should proceed and a lot of confusion can be avoided.

I would like to mention that the Government has not so far really redefined the new role of the public sector in the liberalised environment, though a lip-homage is paid to its importance in the Minister's statement. So far as we are concerned, we don't want to stifle any private initiative. But we must know the industries which you want to take up for disinvestment and which you really want to privatise.

I would also like to bring to the Minister's notice—I don't know whether he has seen it an opinion expressed by Dr. Chelliah, who has been an Advisor to the Government and a great liberaliser himself, that the Government should go slow on disinvestment of profit-making public sector units.

I hope he must have read that particular statement. He suggested, "The Government should focus on restructuring the loss-making PSEs and ensure that profit-making PSEs should generate savings to achieve the targeted economic growth." It is restructuring. So far as restructuring that we have been talking all these days is concerned, there is no plan on the part of the Government. That is why a lot of misgivings have been created in the minds

of the people. How would the Minister assure us that the realisation made from the public sector, once it becomes a part of the budget itself, would really be spent on the health sector and the education sector? Why don't you utilise this amount for returning the national debt first and thereafter use it for restructuring? Madam, a reference has been made to the National Renewal Fund...(Time bell rings)...

Madam, I will take one minute more. I would like to know from the hon. Minister about realisation of Rs. 5,000 crores. The Minister himself said that probably they would be in a position to give a report as to what ought to be done, to the Government sometime in February or March. That means your fiscal deficit would not be bridged by this. The Minister mentioned before the Economic Editors' Conference that 10 per cent of this realisation would be spent on restructuring. I wish the entire scheme had come before Parliament and we had an opportunity to discuss this kind of an important announcement made by him outside.

Disinvestment is only a device to ensure that as far as possible the BIFR does not come into picture and the interest of the workers and technologists does not suffer. No attention has been paid towards restructuring which of course includes privatisation and which also includes disinvestment. If you say that disinvestment is the necessary and sufficient condition for the improved performance, I am afraid, it is not so. My last point is this. Has the Disinvestment Commission given a six-point formula to him or to the Government—I am not sure whether it comes under the Ministry of Finance or the Ministry of Industry—about the way that want to go so far as the improved performance of the public sector undertakings is concerned.

Thank you.

[The Vice-Chairman (Shri Triloki Nath Chaturvedi) in the Chair.]

SHRI SOLIPETA RAMACHANDRA REDDY (Andhra Pradesh): Sir, I would like to express my views on the Calling Attention notice of Shri Dipankar Mukherjee. The total investment in Central Public sector undertakings exceeds Rs. 1,70,000 crores. In

the Budget Speech of 1991-92, the Government announced its intention of partial disinvestment. When it was first mooted, it was felt that disinvestment would not only help raise money for the resource-starved Centre, but it would also lead to a greater degree of professionalism and accountability, thereby, increasing the return on public investments made in these white elephants. It was also felt that this could be one way of raising money to fund the National Renewal Fund which was meant to retain and rehabilitate workers rendered surplus in the process of industrial modernisation.

These grandiose notions have so palpably fallen by the wayside in these last five years that they seem almost laughable. The NRF has been a non-starter barring its use as a voluntary retirement scheme fund for PSUs. The management of PSUs which has shed a large percentage of shares has not changed a bit. Five years is a long time to judge the sincerity of a Government in fulfilling its stated objectives. It must, therefore, be concluded that the Government never seriously intended to do anything more than raise money from disinvestment. This, of course, needed to be cloaked in acceptable rhetoric of liberalisation, since, using the sale of assets to meet current expenditure is acknowledgedly a disastrous recipe. It is also worth asking here: Would it not be better to raise resources for the public sector through sale of institutional holdings in the private sector? In other words, should not privatisation of the private sector be the priority? To begin with, the very idea of selling PSU shares to the public implies that only those PSUs which are profitable sell their shares. Why would anybody buy shares of a badly run, non-profitable company? Thus, disinvestment as a means to increasing efficiency amounts to carrying coal to Newcastle. Further, there is little evidence to suggest that PSU professionals are in any way poorer managers than their private sector counterparts. What makes PSU management inferior is the dominance of bureaucracy and politicians. This cannot be eliminated by selling off a portion of shares as experience has already shown. It can be eliminated if the political will to do so exists. We are against

disinvestment of shares of the profit making and viable PSUs. Disinvestment should take place only after all avenues in rehabilitating sick public sector undertakings are exhausted. Many of the public sector undertakings operating in the core sector are strategically important for the future growth of our economy. They are facing competition from the domestic private sector as well as from imports. They have already established their capabilities in the global market. For example, SAIL produces the world's cheapest steel. Public enterprises in the petroleum sector are among the Fortune 500 companies of the world BHEL has been consistently successful in winning and executing global contracts. Similar is the case with the telecom sector. The C-Dot switches have been installed in more than half of the telephone exchanges in the country. All these enterprises have proved their capabilities in the face of global competition. I don't know why shares of noted public sector enterprises should be sold. There is a danger that PSU shares will find their way into foreign hands which would result in multinational corporations having a strong grip on our economy. I therefore, appeal to the Government to come out with a comprehensive policy on public sector disinvestment rather than use it as a means to manage fiscal deficit and to mobilise additional funds. I also appeal to the Government to take a timely decision and provide necessary financial support for the renewal of sick PSUs/particularly the Ramagundam Fertilizer plant in Andhra Pradesh.

SHRI V. NARAYANASAMY (PONDICHERRY): Shri Chaturvedi covered most of the points when he was speaking on this debate. I really feel sorry for this Government. They are groping in the dark. On the one hand the constituent parties of the Government support the Common Minimum Programme of the Government. Thereafter, they criticise the Government on the floor of the House and outside. Sir, I would like to submit that disinvestment policy was pursued by our Government. Right from 1991, disinvestment of public sector was done for a continuous period of four years but in the year 1994-95 there were not many takers for it due

to a variety of reasons. Sir, I hold the view that the public sector should be strengthened. The Government should give all support for the public sector to be made more profitable holding the social sector, and apart from that, it should give powers to the Chief Executives, give autonomy to them, and also make them accountable. There is no difference of opinion on that. Sir, there are different theories adopted by Government clubbing the shares of profit earning companies, profit earning public sector and the losing public sector for the purpose of disinvestment. It was opposed by the hon. Minister when he was sitting on this side. It may be inconvenient for the hon. Minister and his party and the whole lot of people sitting there. They opposed it in their capacity as a political party. They opposed it and they also staged a walk-out from this House. Now they are implementing the same, more than the Congress Government.

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI T.R. BAALU): You must be happy.

SHRI V. NARAYANASAMY: I am happy in one way, I am unhappy for the wisdom that has dawned on them.

THE VICE-CHAIRMAN (SHRI TRILOKI NATO CHATURVEDI): You address the Chair.

SHRI V. NARAYANASAMY: Sir, I am getting frequent running commentaries from there.

SHRI T. R. BAALU: You are provoking us.

SHRI V. NARAYANASAMY: I am not provoking, I am stating the reality of what was happening. My memory is very sharp and I have to remind the hon. Member what had happened earlier.

SHRI T. R. BAALU: Let him cite an example. Already he has cast aspersions. Let him quote an example wherein the hon. Minister for Industry has mentioned about the.....

SHRI V. NARAYANASAMY: If the hon. Minister denies it

SHRI T.R. BAALU: Without records he cannot say anything. There should be some record.

SHRI V. NARAYANASAMY: I am saying, it from the records; from your party's point of view. I am stating your point of view. I am not going beyond that. When you feel it is inconvenient, kindly don't interrupt me when I am speaking. Sir, now a system has come about whereby we find hon. Ministers saying that they go by the Common Minimum programme. They have appointed a Disinvestment Commission. They have certain recommendations. I do not want to give the recommendations. On that basis we would like to go in for disinvestment of the public sector units that have been identified. About 40 units have been identified. Sir, I go in to the basic and fundamental question of the hon. Minister's statement that has been given. But I find, Sir, that within their own constituency of 13 parties, there is a dissenting voice from one hon. Member from West Bengal and another hon. Member from Andhra Pradesh. do not want to quote the Cabinet proceedings. When disinvestment of the Indian Oil Corporation and VSNL came up there was opposition within the Cabinet for the Industry Ministry and also the Finance Minister. Will the hon. Minister deny it? They wanted disinvestment

SHRI MURASOLI MARAN: I deny it. They may be discussions, there was no objection.

THE VICE-CHAIRMAN (SHRI TRILOKI NATH CHATURVEDI): During the Cabinet discussion different viewpoints are expressed.

SHRI V. NARAYANASAMY: Sometimes, past memories may be useful. However, let me go on to the subject. firstly, I would like to know whether they are going to stick to the Common Minimum Programme in relation to public sector units. Let them say, let the hon. Minister say that despite differences of opinion among the Front partners, he is going to stick to the CMP in so far as it relates to disinvestment of public sector units.

I have another complaint against the BIFR. As far as the BIFR is concerned, there are 83 public sector units which are sick. And out of

57 units which are before the BIFR, revival packages were approved only in 20 cases. What is going to happen in respect of 83 sick public sector units? I want to know whether the Government have got any action plan. I want to know if the Government has any plan in regard to these sick units. Are you going to close them down? Or are you going to give them to the employees with some financial support? What is the policy of the Government in regard to these 83 sick public sector units?

I entirely agree with the mover of this Calling Attention. You can take the profits made by the public sector units; you can also allow it to engage in social activities to a certain extent. But you are taking away the investments made in the public sector units and taking these units to somewhere else for the purpose of compensation or for meeting certain financial deficiencies. My point is— this was the point which I made even when our Government was there—that the proceeds of the disinvestment of the public sector units should be ploughed back for their improvement. You should plough back such funds so that they may become viable. You can save them. You can give more thrust to the public sector units for which your Government is committed. I want to know whether the Minister is going to give us an assurance to this effect on the floor of this House.

I would now deal with the question of revival package. Finalising a revival package involves a long process. I think the hon. Minister would agree with me. After the public sector units are referred to the BIFR, it takes a lot of time for finalising revival packages for them. The proceedings may take a year or two. In the mean-time, during the intervening period, the fund erosion is so much that the concerned public sector units die a natural death. Why is it that the BIFR takes such a long time for finalising the revival packages? I want as assurance from the hon. Minister that the finalisation of revival packages would be done within a definite time-frame.

Further, I would like to know the total amount disinvested from 1991 till date and the extent of this amount which was ploughed back for the improvement of the public sector units.

SHRI MURASOLI MARAN: What did your Government do?

SHRI V. NARAYANASAMY: Your Government is there for the last six months.

SHRI MURASOLI MARAN: Nothing has happened during these six months.

SHRI V. NARAYANASAMY: It means that you are non-functioning for the last six months.

SHRI MURASOLI MARAN: Your Government had disinvested about Rs. 10,000 crores.

SHRI V. NARAYANASAMY: You said that nothing had happened during the last six months. What does it mean?

SHRI NILOTPAL BASU (West Bengal): Sir, he is contradicting his own statement.

SHRI V. NARAYANASAMY: I am not contradicting. Why should I contradict? Anyhow, the Minister is going to answer all my points. Mr. Basu, why do you get agitated? Let the Minister give me the figures.

SHRI NILOTPAL BASU: But you should not try to mislead the House by giving wrong figures. You should give the correct information. You should supply the correct information. You should not mislead the House by giving wrong figures. You should not mislead the House.

SHRI V. NARAYANASAMY: I am not misleading the House because this is what I said to the previous Government also. I stand by what I said. The hon. Member, Mr. Basu or the hon. Minister can go through the records. What I said is available in the record. I told the previous Government also that the proceeds of the disinvestment should be ploughed back for the purpose of improving the public sector units. I have been saying this right from the beginning. This is what I told Dr. Manmohan Singh when he was the Finance Minister. I am not changing my statement. This is my personal view. Therefore, what is the total amount that has been ploughed back? I want the hon. Minister to let me know this. The revival of sick public sector units is a matter of concern for all the people of this country. It is a matter of concern also for the

labourers who are working there. It is a matter of concern from the point of view of funds that have been invested because there are no returns. I would like to know how much time the Government will take in arriving at a decision in respect of these 83 public sector units. Has the Government any plan for the revival of these industries? These industries have to be revived. There is a level beyond which sick industry cannot be revived. I would like to know how many such industries are there. How many industries are there which need rehabilitation?

The hon. Minister has stated that in nine other units fresh infusion of funds to the extent of Rs. 310 crores has been committed along with proposed writing-off of an amount of Rs. 897 crores and conversion of loan of Rs. 176 crores into equity. Successive Governments have been putting funds but we find that it is not yielding any returns. There is a systems' failure in spite of the autonomy that has been given to them. There has to be accountability. Sir, in my opinion the monitoring mechanism of the Government is not proper. If the private sector can thrive in this country, why can't the public sector? It is a very important question. It is also a debatable point. Therefore, I would like to know what monitoring mechanism is available with the Ministry for monitoring the public sector enterprises. Is there any system of checks and balances?

THE VICE-CHAIRMAN (SHRI TRILOKI NATH CHATURVEDI): I request you to wind up now.

SHRI V. NARAYANASAMY: Yes, Sir, I am winding up. Apart from that, I would also like to know whether they are achieving the targets that are fixed. This mechanism should also monitor why there are losses. It is a natural question one has to put to the hon. Minister as to why there are losses. The Ministry is also responsible for this. The hon. Minister may say that their Government took over only six months ago; but since it is a continuing Government, the hon. Minister has to reply to this point.

THE VICE-CHAIRMAN (SHRI TRILOKI NATH CHATURVEDI): Yes, he agrees to it. But now you will have to wind up.

SHRI V. NARAYANASAMY: There is only one last point. Now they are staggering this amount of Rs. 5,000/crores for disinvestment in 1996-97 and 1997-98. Last year also, it was done with the same purpose. But when they announce it, people do not come forward. I do not know whether it is because of a fall in the share market or due to some other factors. Has the Minister got any alternative plan for disinvestment? You want to go global. Yes, I have seen that reference in this statement. Now Euro issue is also not coming up well. Therefore, I would like to know whether you will be able to achieve this target of disinvestment. What are the norms that you are adopting for the purpose of identifying these forty industries? Kindly reply to all these points. Thank you.

SHRI SURINDER KUMAR SINGLA (Punjab): Sir, I have seen the hon. Minister's statement and his strict adherence to their Common Minimum Programme. As his statement rightly indicates, the public sector has played a pioneering role in the early decades of our development and it continues to be an important component of Indian industry. There are other points to which I will come later. In fact, I would like to congratulate Mr. Maran that when he assumed the charge of the Ministry of Industry he understood and quite correctly appreciated that Indian people are ahead of the times, of the Parliament and the Government. They think much better than what most of the Members of Parliament, who claim to represent them, think. There was certainly a hue and cry that Ministers are in a hurry in the beginning. I wish he could have continued with that programme rather than binding himself with the past decades' dogma of public sector and the public sector about which the people are sick now. It is not that the public sector units are sick. They are sickening the people in this country. All kinds of scandals are taking place in these public sector units. Whether it is BHEL or NTPC, they are selling this thing and buying that thing. You will have to discontinue this scam business that public sector must be closed. This is in general I am talking.

THE VICE-CHAIRMAN (SHRI TRILOKI NATH CHATURVEDI): What are your questions?

SHRI SURINDER KUMAR SINGLA: Sir, I am coming to my questions.

SHRI NILOTPAL BASU: Today he is in a philosophical mood.

SHRI SURINDER KUMAR SINGLA: Sir, I am coming to the point. Sir, the Minister's statement says that out of 245 Central public Sector Units, 83 are sick and 57 are before the BIFR. I would be interested to know from the Industry Minister who has acquired some experience that out of those units which have been approved by the BIFR, how many units have gone back to the BIFR.

Sir, I come from the State of Punjab. A unit was sent to the BIFR there, and what happened afterwards? Certain write-offs took place and more money was injected into that unit. Sir, there are units which are economically unviable, technologically impossible to be run on economic lines. But, in the name of workers, more money is pumped into them. After a year-and-half, they again go to the BIFR. I would like to know the number of cases, both in the public sector and private sector which are referred to the BIFR again and again wasting the scarce capital of this country. Sir, it is very injurious and it is the saddest part. I would like to know from the hon. Industry Minister whether BIFR is an answer to this situation, to a technologically obsolete unit which cannot be revived at all, which cannot be revived again. And I am pained to quote here the example of the National Textiles Corporation which came into being in 1968. Today in 1996, after 28 years, what has happened to it?

THE VICE-CHAIRMAN (SHRI TRILOKI NATH CHATURVEDI): The Minister knows it.

SHRI SURINDER KUMAR SINGLA: What happened? Not one, hundreds of discussions took place in the Parliament; hundreds of meetings were taken by the Government. Every time a decision was taken; it is not possible to take a decision. Today, they have a turnaround strategy. This turnaround strategy is meant to liquidate physical assets of the company and to pump more money to run it. Sir, this option was available 28 years ago, but what has happened in these 28 years?

You have wasted Rs. 7,000 crores from the Central Budget in funding these textile units. If you could have adopted this kind of a right approach of selling those assets and bringing funds back, you would have created an investment of about Rs. 20,000 crores. In addition to this investment, you would also have created more jobs there.

THE VICE-CHAIRMAN (SHRI TRILOKI NATH CHATURVEDI): The Minister was not here for 28 years!

SHRI SURINDER KUMAR SINGLA: Mr. Vice-Chairman, Sir, I am appealing to the hon. Minister, through you, to really reach the common masses of India. In order to do this, I ask, how are you running our sick units? Do you have an option to sell those sick units on a permanent basis? You can create more jobs, I can tell you. For example, out of 57 units which we have, there are 3 lakh employees. If you virtually close them down and sell the assets and reinvest in new industries, you will create more than 3 lakh jobs. Obsolete capital cannot be revived. The law of natural obsolescence should be applied here. With a new need, new capital equipment is to be applied. How are you reviving.

After the new industrial policy that came into being, fortunately, in the public sector, the number of industries came down from 17 to 8. There should be a gradual process of total privatisation. Any national sector—private sector is not a foreign sector—should be open to the private sector. Why you should have a monopoly of the public sector in a particular industry? One would like to understand this. Please consider whether it is harmful if you are not opening up' and dereserve those industries which are in the public sector. There is service industry which could not be run in the public sector with full efficiency. Would you like to privatise this? For example, running the JTDC. What business does the Government have in running this? You have to evolve a new policy in the circumstances. Nationalisation of industries has failed and collapsed all over the world. It is not only in our country. For example East Germany... (Time-bell) Sir, this is a debate and it must continue. If you want to restrict me... (*Interruptions*)...

Mr. Vice-Chairman, Sir, this is such an important issue. Rs. 80,000 crores have been invested in the public sector companies. I would like to ask the hon. Industry Minister as to what kind of returns we are getting. Is it not that the entire funds, the national assets, have been built up with a great effort? It is the people's money. Are we not wasting it? We know that there was a time when industries in the public sector were needed and no private sector was forthcoming. My point is, let the hon. Minister apply his mind. There are certain industries which need not be run in the public sector. When you are a Minister you do not want to lose power and control. Sir, we have a Minister who does not have the power and control. I congratulate this Minister. He does not have the power and control. He would say, "No power for me," when nobody wants to give up power. People are talking about giving total autonomy for the public sector and that they will perform well. I want to know what they mean by total autonomy. Do the public sector companies enjoy the kind of political control and the kind of bureaucratic control like Shri Dipankar Mukherjee has on this?

THE VICE-CHAIRMAN (SHRI TRILOKI NATH CHATURVEDI): Please sum up.

THE SURINDER KUMAR SINGLA: I am summing up. (*Interruptions*)

SHRI DIPANKAR MUKHERJEE: How wise your observations!

SHRI SURINDER KUMAR SINGLA: You are a man of wisdom and nobody else in this House.

Sir, I appeal to the hon. Minister that the country needs industrialisation. In the last four years, investment in public sector has not come although the country had an unprecedented growth of industrialisation. This growth is 12 per cent or something like that. This is one point. The other point is with regard to the Disinvestment Commission. Sir, the CMP says that the disinvestment in the public sector share holding needs to be put in for the welfare of the poor people. I do not know whether those people who oppose the disinvestment are the friends of the poor people who are looking for more hospitals and more schools. Sir, the policy of disinvestment has been adopted and

a Commission has been set up. I do not want to say that the experience of disinvestment has been very sad. Sir, there was a targeted figure of Rs. 5,000 crores for the year 1996-97. But, the fact is that the public sector companies do-not enjoy a perception of performance. They are rated very poorly by the investors in the country. Even the Parliament has permitted them to sell their shares, they are not able to sell them because people do not want to invest in public sector which is more bureaucratic than the professionally managed companies. I would also like to know from the Minister whether he would apply his mind in terms of privatising consumer and service sector industries. I would like to tell the Minister that disinvestment is an extremely great policy decision taken by the earlier Government and today it is continuing. I request the Minister that if he really wants to sell the shares of the public sector which has been a great experience even in Britain, then he should move faster. I request the Minister to move fast and move with transparency. The Disinvestment Commission should be a transparent institution. This disinvestment should offer more shares to the employees. Let there be a direct interest of those involved in it. I am not opposed to workers as such. I am saying this because once they own the company which they run, they will have a better say, better identification and interest. It is very necessary if you want to make the policy of disinvestment a success.

THE VICE-CHAIRMAN (SHRI TRILOKI NATH CHATURVEDI): Mr. Singla, please conclude. Other Members also want to speak. ...*(Interruptions)*...

SHRI SURINDER KUMAR SINGLA: Sir, I have not taken much time. ...*(Interruptions)*... Sir, I request the Minister to move faster towards privatisation. I can certainly speak on behalf of the people of this country that they are with you if you move faster towards privatisation because it is the only thing which the world is accepting ...*(Interruptions)*... Insurance sector should also be included. ...*(Interruptions)*... Sir, in fact, I have not really put many questions to the hon. Minister. Thank you, Sir.

THE VICE-CHAIRMAN (SHRI TRILOKI NATH CHATURVEDI): You only requested the Minister to apply his mind again and again.

DR. BIPLAB DASGUPTA: Has he spoken on behalf of the people of India or on behalf of his party?...*(interruptions)*...

THE VICE-CHAIRMAN (SHRI TRILOKI NATH CHATURVEDI): Let Mr. Ravi speak.

SHRI VAYALAR RAVI (Kerala): Sir, Mr. Singla is one of my best friends but we always disagree on this point of approach to the public sector and the importance of my party is, we co-exist in our party. I do not want to go into the whole question of profit and loss and other things. But, there is a philosophy behind the public sector. I want to make two points; one is, balanced growth of the regions. Mr. Maran comes from Tamil Nadu and he knows very well how the Trichi and other areas have been developed. The development is only because of the public sector investment, by whichever party it may be. This is one point. The other one is the employment opportunities. Seven principles have been enunciated and these are the two cardinal principles. I agree and I confess that it started as early as in 1980s but it took off only from 1991 onwards. Even in those days people like me in my own party have taken different views on this but still I hold my view. I believe this is not privatisation but this is dissolution. Can a public sector company be converted into a limited company? These 74 and 49 per cent formulations mean the dissolution of the public sector company and converting it into a private company. I have one example. The former Chairman of Air India was arrogant enough to say, "Air India is a public limited company created by an Act of Parliament; so, I am not answerable to the Parliament. Even today, the IDBI, ICICI, LIC, LIC, etc., are financing the private companies. But, they are not answerable to this Parliament. In the place of UTI or IDBI some Government shares have come. My point is, this Parliament is losing complete control over this. I am afraid, if you give up the principle of balanced growth of different regions, it will encourage a tendency for disintegration, if the present system of liberalisation and inflow of private investment or foreign investment

continues. If you look at the record, the State of Maharashtra stands first, West Bengal stands second and my State, poor Kerala, stands, I think, in the 18th place. If my party has done something, I believe, you can correct it. Definitely you can correct. So, no policy is permanent. Nothing is permanent. Everything has to go according to the changing times. Sir, BIFR has said, and you have also mentioned it, that they have 57 cases. But, I know there are about 600 or 700 cases with BIFR. They all belong to the private sector. Whose money is in the private sector? You all know that it is the money of the banks, the public money, money belonging to the financial institutions. It is the money of the people. It is the money of the banks. It may not be Government money, but it is the money of the people. But nobody is unhappy about the closure of the units in the private sector. Many in Kerala have closed down. All these have been referred to BIFR. Sir, Thatcherism has no more relevance in Great Britain. All this process has been started by Mrs. Thatcher by denationalising coal industry in England. Then, many people in India also started this. There is a strong lobby of the vested interests. Mr. Maran, I am only advising you, please do not go by the advice of the bureaucrats. I do not want to refer to ITI because the time is limited. In COPU, we people are sitting and trying to find out solutions for the revival of the public sector and its continuance. And there is another body like the Disinvestment Commission. Look at the kind of situation we have today.

On the one hand, Parliament authorises the Committee on Public Undertakings to carry forward its examination of public undertakings, with a view to suggesting improvements. On the other side, we have this Disinvestment Commission which has been appointed by the Government to effect dissolution of the public sector. This is a very pathetic situation.

I would appeal to the hon. Minister. Please apply your mind afresh. Please. Don't think that dissolution of the public sector is a solution for industrialisation. It is not at all a solution. It would only lead to disaster. Mr. Minister, you stand for certain principles. When the language question came up, you •

stood for the people of the South. I appreciate that. I know that. Mrs. Gandhi came all the way to the South to give an assurance. That assurance is still valid. You go by your own experience. This is what I would like to tell you. Please apply your mind afresh. You may have the Common Minimum Programme, or, whatever it may be. But you should look at the social philosophy, the economic philosophy, behind it. Don't go by a kind of ideological thinking. You need not borrow ideas from others. (*Time-bell*)

I am concluding, Sir, I can assure you. It is not the fault of the workers. It is not the fault of somebody else. It is the lack of political will on the part of the Government. Don't go by the advice of your bureaucrats and dissolve the whole institution.

Sir, we took over the sick textile mills. Mr. Singla is not here. I want to correct him. I was a Member of the Lok Sabha when the decision was taken to take over the sick textile mills. Mrs. Gandhi took the decision to take over the sick textile mills. They were not working mills; they were sick mills. They were taken over, with a view to making them run. But even today, these mills are sick. The sick mills were taken over, but the follow-up action was wrong. It was because of the bureaucratic control. Corruption has been rampant. That is the reason for their continuing to be sick.

Therefore, Mr. Maran, the question before you is this. I am appealing to you. Please have a fresh look at it. Don't go by what we had done in the past. Have a fresh look and save the public sector. I can assure you that the workers would support you; they would be with you. With their co-operation, you have to make this sector a profitable one.

Thank You.

SHRI R.K. KUMAR (Tamil Nadu): Mr. Vice-Chairman, Sir, after the very exhaustive and relevant points made by you and also by Mr. Dipankar Mukherjee; and after a lot of politicisation by my friend, Mr. Narayanasamy, I do not want to go into the disinvestment part of it. I would only make some suggestions, very briefly, particularly, on the Sick Industrial Companies (Special Provisions) Act.

The hon. Finance Minister gave an assurance on the floor of the House that this Act was being amended. I think the BIFR comes under the administrative control of the Finance Ministry. But using this occasion, I would like to appeal to him, through the Industry Minister. I want to make certain suggestions for improving the Sick Industrial Companies (Special Provisions) Act.

Sir, the purpose of this Act was to ensure speedier detection of industrial sickness and to determine expeditious steps to ameliorate the industrial sickness by a body of experts. My first point is: the BIFR is not at all a body of experts. It is a post-retirement sanctuary for the bureaucrats. As it is a kind of a tribunal, one can go up to 62. When the bureaucrats reach 57, they manage in such a way that they get into some such organisation. Today, the BIFR has become a post-retirement sanctuary for such bureaucrats. That is why it is being managed in a bureaucratic manner. There is not a single expert on this body. There is no accountant. There is no chartered accountant. There is no engineer. There is no expert at all. Therefore, the process is very slow. There is no urgency. When a case is referred to it, there is no urgency at all. It would take months and years.

The BIFR has no mandatory powers. This is the most important point. The BIFR has no teeth. Why should we have a body without any teeth? It has no mandatory powers. In respect of a revival package, when certain funds are required, when certain relief has to be given, the BIFR has no way by which it can force the financial institutions or the workers or the management what they should do it. It simply says that if these people agree, it would put its stamp of approval. There is a saying:

मियाँ-नीनी राजी होने के बाद, काजी की जरूरत क्या है?

For the benefit of the hon. Minister, I would translate it. When the husband and wife agree, there is no need for a third person. Here, the BIFR is acting as the third person — unnecessary and unrequired. Moreover, it has no teeth.

I would, therefore, like to suggest that when the SICA is amended, you have to make

the BIFR a real body of experts. You should also give it mandatory powers so that they can decide. It may work to your disadvantage, in respect of public sector companies. It is because, the Government may have to shell out money. As the BIFR would have the power, you may have to introduce further capital.

But then, it is better to have a definite thing rather than leaving it in this way without any mandatory powers. These two things are very important, and I appeal to the Minister to use his good offices with the Finance Minister when this Act is amended and make it a body of experts and give it mandatory powers.

Thank you, Sir. (Ends)

SHRI GURUDAS GUPTA (West Bengal): Sir, the purpose of today's discussion is limited in nature. We are discussing disinvestment and revival of the sick public sector units. At the beginning itself, Sir, may I submit that the attention of the Minister has been wrongly called? It is not the Minister of Industry whose attention should have been called and, in fact, the attention of the Minister of Finance should have been called, because the concept of disinvestment is the brainchild of the Ministry of Finance. Secondly, the delay in the revival of the public sector units can be directly attributed to the delay in the funding process of the revival package. Whenever a revival package is accepted, the financial institutions stand in the way. Therefore, it would have been appropriate if we called the attention of the Ministry of Finance.

Sir, I should ask the hon. Minister a fundamental question which has been tormenting me for long. I would like to ask the hon. Minister why disinvestment is being undertaken. What is the purpose, what is the objective of the policy of disinvestment? Is it to raise funds, by selling off Government's healthy shares, to raise money for financing revival schemes, or is the Government's holding being diluted deliberately to change the character of the public sector? Instead of a public sector, is the Government after introducing a joint sector? Is it for establishing a joint sector in the public sector arena that disinvestment is being done? I have not been

able to find the answer because nobody in the country tells us what the Government is going to do with the money that is being raised. If that money is being used to finance the revival of the public sector as a whole, or substantially, then there could have been meaning in implementing the policy of disinvestment, but we are not being told, even now, what percentage of money that has been collected so far has been invested for the revival of the public sector. It is a closely guarded secret: the Minister of Finance is playing, holding the cards too close to his chest. This is where the diplomacy, this is where the matter of suspicion, this is where the element of criticism, lies. The Government is not transparent, not even the present Government. The policy of disinvestment was enunciated by the former Government, by the former Ministry of Finance.

Somebody here was telling the House that the Government is in darkness. I should say that the Government is only following the path charted by the former Minister of Finance. It is a copybook statement of Dr. Manmohan Singh. What was done previously is being done now. There is no change in the policy. That is what is distressing, that is what is disappointing, that is what is discouraging. There is no change. It is as if the same Government that was there during the time of Dr. Manmohan Singh is continuing in office, so far as the economic policy is concerned. Therefore, my question is: Why is disinvestment being done, why is money being raised? I believe this is a dishonest method that the Government is practising to bridge the Budget deficit.

2.00 P.M.

I

They are bridging the budget deficit in a dishonest way without telling the nation that it is being done to raise money to bridge the mounting gap of the budget as well as deficit in the fiscal arena. This is just like a family selling its jewellery or like a family selling its jewels to meet the daily expenses. This is a sign of insolvency. This is a beginning of that sign. If the Government sells its own jewels, if the Government sells its own holding and if the Government sells its own equity for financing the economic development of the

country or for investment in capital goods production or for development of the infrastructure, there could have been some economic justification and explanation for the same, but this is all being done to meet the daily requirement. This is sign of insolvency. This is where the Government is playing with the system of transparency. It is playing soft with the policy of transparency. If it was for fund-raising for financing the public sector, well, the purpose has been defeted because no fund has so far been substantially invested for development, for promotion or for revival of the public sector. Therefore, Sir, this is a dishonest tactic of meeting the budget deficit.

But, even then, even that policy has its own failure. The disinvestment is being done at a time when the secondary market is having a down swing. The shares are being sold at a time when the market is showing a tremendous decline. What is the result? The result is that the desired yield of disinvestment is not talcing place. The disinvestment policy, whatever may be the reason, is a colossal failure. Even the disinvestment of the shares of the State Bank of India have met with failure. It did not achieve the desired result. Therefore, the timing is wrong, the purpose is wrong and the philosophy is wrong.

No economic fundamental can justify the policy of disinvestment of the shares of blue-chip public sector companies. If the shares of the companies which were making losses were sold there could have been some justification. Why have the shares of the ONGC been sold?

Does the ONGC need additional funds for investment? Why have the shares of the SBI been sold? Does the State Bank of India need additional funds to make up its capital adequacy norm? Sir, shares of blue-chip companies are being sold? Those shares are being sold deliberately to devalue the Government holding in order to make the public sector a joint sector. That could be the only philosophical explanation of that policy that one can give at the moment.

Therefore, my question is: what is the reason for the disinvestment? We want to know how much fund has been released. We want to know in what way the funds have been utilised.

We want to know why the shares of blue-chip companies are being sold in the market. Is it that the ONGC needs additional funds? What could be the reason?

Secondly, we want to know, why the timing is so bad. Why does the Government not hold back its policy? When the stock market is going down, it is selling its shares! It is absolutely a ruining method. It ruins the public sector. It ruins the economy. It also ruins the prospectus of getting a better yield from disinvestment. The Government is ill-advised. Not only has the Government been ill-advised, but the Government has taken to a ruinous path also. Maybe, the Government is doing so out of compulsion to get money from anywhere, from any source to meet the budget deficit. That can only be the reason for it.

My third question is: why has the Disinvestment Commission not been given statutory powers? Is it a fashionable voodoo? Is it only an advisory body? If so, why? If the Government is interested in getting a reasonable advice from the group of economists who are there, why does it not make it a statutory body? Why is its advice not binding on the Government? Therefore, my point is that the wings of the Disinvestment Commission have been deliberately clipped so that the core committee, the Committee of the Bureaucrats, having no commitment, can play havoc.

The next question that arises is whether the Government has taken into consideration as to what is going to be the fate of the management of the Blue Chip company after disinvestment, because it is not only the holding of the Government that is being diluted, but it is the GDR route that is being encouraged. Through the GDR route somebody can enter the management of the Blue Chip company. GDR can be converted into equity and by converting the equity, those who are holding those shares can have access to the management. Therefore, it is by disinvestment that the Government holding is being diluted; it is by disinvestment that the private sector moves in; it is through GDR that the private sector moves in. Therefore, if the Government does not put a curb, there is a danger that through GDR and also through disinvestment,

Government's management will be seriously diluted. Why I am saying so is that near Delhi there is a joint sector company—Maruti Udyog. It is a joint sector company with 50 per cent Government holdings and 50 per cent that of Suzuki. The hon. Minister will kindly inform the House whether Suzuki, a foreign company, has been given the power of absolute control on the administration by having only 50 per cent equity. If that fate awaits ONGC, Oil India, Air India and Indian Airlines, where do we go? Therefore, my point is that the Government, while taking recourse to disinvestment has not taken into consideration the likely impact on the management control. Will the hon. Minister clarify it?

My I now draw the attention of the House that the process of revival through the route of BIFR has found to be absolutely and impossible thing. Very few companies have been revived. A large number of companies are sought to be closed down. Since the BIFR cannot compel the financial institutions to fund the revival package, it means the BIFR was set up to close down the units. Or there should have been an objective assessment on merit about the revival of each of the so-called sick units.

Sir, we also agreed for a mixed economy. We never say that only the public sector should be there. But, when we speak for mixed economy, we do say that there should be a reasonable role for the public sector. What I am afraid of is that through the course of disinvestment, through the course of BIFR, the public sector is being dislodged from its reasonable position. In a country where 50 per cent of the people live below poverty line, where unemployment is staggering, where hunger is on the rise, can we leave the question of social welfare to the private sector? It is a broader question. It has nothing to do with policy; it has nothing to do with Communist principles, but it has something to do with social welfare. After all, it is a welfare country. In a country like this, can the State address itself to the basic human problem by only relying on profit-making private sector? If not, the public sector must be restored to its own useful role in ensuring greater growth rate, in ensuring better life and in ensuring advancement of the country. Thank you.

SHRI JOHN F. FERNANDES (Goa): Mr. Vice-Chairman, Sir, with liberalisation and globalisation in 1991, we have seen a sea change in our economy. Our economy is a mixed economy and it has proved that our economy can be strengthened only when we supplement each other. Sir, we have also seen how the public sector which is the State policy has collapsed in the former USSR whenever there was a change in that policy. I would also say that our economy which was a mixed economy was the backbone of our system.

Now, we are discussing about six public sector units. The Minister has stated that we have 245 PSUs; and some of them are sick. We have been told that they are being revived by the BIFR. I do not know whether the BIFR has any teeth or it is toothless. But I would say that it is involved in a bureaucratic web. The hon. Minister has already mentioned in the second last para that the BIFR has approved of revival plans of 20 units and they are at various stages. I would like to know from the Minister what those various steps are. The Government would recommend a PSU to the BIFR. The BIFR would give its recommendation, but it is not mandatory. It is merely an advisory body. That recommendation would go to the Committee of Secretaries. The Committee of Secretaries would put up to the Interministerial Committee of the three Ministries — the Finance Ministry, the Commerce Ministry and the Industry Ministry. Their decision would go to the Cabinet Committee. The decision of the Cabinet Committee comes to the Finance Ministry for final sanction. I feel that this is the main bureaucratic tangle where sick units are made further sick and they are made to die a natural death. I do not think that there is any seriousness on the part of the Government to revive any unit because these PSUs are controlled by the bureaucrats. Many of my colleagues spoke about bureaucrats. We have to see what the reality is. I will give a glaring example how our PSUs are destroyed in our country by bureaucratic red-tapism and bureaucratic rivalry. Sir, we have the Jessop in Calcutta. It is a very ancient unit. We took it over from the British. We have also the Burn and Stands. The Committee on Railways has

visited this unit. The Jessop unit has been referred to the BIFR. They need about Rs. 30 crores as a working capital. They have also mentioned that they were ready to raise Rs. 25 crores by selling off their corporate office in Calcutta. It is of no use to them because their factory is located at Dum Dum. But no permission is coming forth from the Finance Ministry. As a result, most of the workers are not getting their salaries for the last three or four months. They have a commitment to give orders to some foreign countries including Korea. The Government has come to their rescue. They have asked a bank to finance them. Since Jessop could not repay the loan to the bank, they have black-listed them. When a nationalised bank blacklists a company, no other scheduled bank would finance them. What is their fate? What is the Government doing about it? The Government is not funding them. The Government is not financing them. The Government is not permitting them to sell their corporate office which is of no use to them. This is how they see that sick units are totally destroyed and they are closed down.

The hon. Minister has mentioned in his statement about the Disinvestment Commission. I do not know to whom the Common Minimum Programme belongs to because my colleague, Shri Gurudas Das Gupta has mentioned that it belongs to the Congress (I); and they themselves opposed it. We all know that there are more than three constituents in the Government. I feel that this is a programme only to hoodwink the Congress party so that they can borrow our support and do just the opposite. This is my charge. You are also opposing it. Mr. Gurudas Das Gupta is also opposing it. His party members are also there in the Government.

But they are not accepting it. They say that the Common Minimum Programme of the United Front Government is nothing but a copy of Shri Manmohan Singh's programmes. It is just a mirror of Shri Manmohan Singh's programme. That is what I am trying to clarify. That is how the Government is hoodwinking the Congress party for its support and that is how the Government is cheating the nation.

Sir, I was mentioning about the Disinvestment Commission. It should be a

Statutory Commission. The other day, the Finance Minister came to this House and said that the Insurance Regulatory Authority also would be given statutory powers. Why is the Government not making a commitment? I want the hon. Minister to react to it. The Government should give some powers to this Commission. When we disinvest the shares, we have to see to the interests of the workers. The industry can prosper only if there is participation of the workers at the floor level. At the moment, the Government policy is to sell five or ten per cent of the total shares of the PSUs to the working class. Why don't they fix a quota of 50 per cent? Whatever is left, you can put it in the open market. Why don't you reserve 25 per cent of this quota to GDR? By GDR, I don't mean that the multinationals should come. You reserve it for the NRIs. We have millions and millions of Indians working abroad and they have the hard currency, they have the dollars and they have the sterling pounds. So, why don't you reserve it for the NRIs so that they can buy it in hard currency, so that the problems that have been referred to by my Communist colleagues that the multinationals will not be able to creep into our system of economy, could be taken care of? This is what I would like the hon. Minister to react to.

Sir, time and again, the bureaucrats are being attacked, and there are reasons for doing so. I am going to give one glaring example. The hon. Minister has mentioned that our PSUs should be global giants, and we have Air India. Many of my colleagues have referred to that. For the last fifty-five years, this PSU has been making a profit because it is a glorious institution, started by Tata. For the last two years, a Joint Secretary from the Government of India has taken over as a full-time managing director. What has been the result? Since last year, Air India has been making a loss of Rs. 240 crores. It had a reserve of Rs. 1,300 crores and only Rs. 900 crores are being spent. Now, Air India is making a loss of Rs. one crore per day. Air India, a PSU/ which was making profit, and which was fighting the international giants, like the British Airways, United Airlines, Lufthansa

and Air France, has been brought down to the stature of Vayudoot. It is high time that this organisation is wound up and merged into Indian Airlines which is making a profit. Indian Airlines made a profit of Rs. 171 crores this year. This is a glaring example of destruction of the PSUs by the bureaucracy. I don't want to go further into it because it may be personalised. The corporate office of this PSU is at Bombay. But this Managing Director is sitting at Safdarjung Airport because his family is in Delhi. This is how we have totally destroyed the PSUs. I am just trying to strengthen what my hon. colleagues have mentioned. We have about twenty Ministries in the Government of India, and there are about 245 PSUs in our country. If we divide them among each Ministry, then we will get about ten to twenty PSUs, and they are controlled by one Joint Secretary. Sir, I happen to be a Director of the Coir Board. The Members of this Board are elected by this House. We sit in the Board and take decisions. It is a Statutory Board which has been created by an Act of Parliament. But, at the same time, the Act also provides that the Government will have control over it. Why? The Government can have control only to give the policy decision and directions. It should not interfere in the day-to-day matters of the Board. All the decisions of the Board have to go to the Joint Secretary in the Ministry. The same is the position with the PSUs. This is how the PSUs are being destroyed in our country: So, I would appeal to the Government to see to it that a public sector controlling board, which should be a totally separate board, an autonomous board, is constituted. It should be constituted on the lines of the Public Service Commission, and if should not be under any bureaucrat. I was informed that the Air India Board has a liaison office in Delhi. A Joint Secretary of the Government of India is not entitled for a car. But this liaison office in New Delhi, spends lakhs of rupees on their organisation just to entertain these officials. This is how these units are made sick. Unless the Government realise where the problem lies and appoint some commission or ask some private organisation to give a report, how can we revitalise and reactivate the PSUs? I am sorry I don't have much time. I have a lot to say. I

thank you, Mr. Chairman, for permitting me to speak for a few minutes.

SHRI K.R. MALKANI (Delhi): Mr. Vice-Chairman, we have heard the hon. Minister's statement and we have also read other literature on disinvestment. I have a distinct feeling that there is as much confusion about disinvestment today as there was originally, to begin with, about investment.

When the public sector started in India a distinguished economist, who also happened to be a Member of Parliament, told Mr. Krishna Menon: "Now that we are going to have a public sector in India, we will be ushering in socialism and we will be able to raise the poor above the poverty line." Mr. Menon's response was a "Mr. so and so, you are a fool. The public sector is being set up not to usher in socialism but to help our friends and contain our enemies." I will not go into the matter, who were his friends and who were his enemies. But this is how it started. Today I find a confusion that even the Chairman of the Disinvestment Commission says that Government is not clear in its mind. When the Government is not clear in its mind, what can the Disinvestment Commission do? There is a suggestion that the PSUs should be disinvested so that money is available to cover the Budgetary deficit. Here are vital national assets. How can they be dissipated in this manner because you have continuing deficit year after year so, this kind of an approach is very unhealthy and very wrong. It is true enough that many of the PSUs have been showing heavy losses for many reasons. Many of them are over-staffed. There is bureaucratic management. There is political siting. I know of cement plants being set up in places where there is no lime, no coal, no railway line, just to oblige a certain small group of MPs or MLAs or whoever that be. It is for these reasons that many PLUs have come to grief. But all said and done, these are valuable assets. These are running companies. There is land. there are buildings. There is machinery. There is experienced staff also. They are running concerns. So, we should not be in a hurry to disinvest in this manner. When I read this

statement and other statements by different Ministers one wants in a particular sector up to 20%, in another up to 40% and in some other something more—I think, we need to have a little clarity on this score. You see there are public sector undertakings which should never have been taken up as PSUs. The Government doesn't have to run hotels. When it comes to projects like this you can privatise the whole thing hundred per cent. I also suggest that steps should be taken to see that in the core sector the industries are not privatised. This is very important. In any case, you must make it doubly sure that none of these projects gets into foreign hands. When we decide to do disinvestment in some PSUs, I think, we should give preference to the employees. Let them buy shares. We should also make it sure that their service conditions are ensured. There must be security of service. All this is very, very necessary. I would also like to say that real privatisation in the non-core sector is not possible unless you privatise up to 51%. If privatisation is to be to the tune of 49% and 51% is still Government-owned, all these will be treated as Government Departments and Government employees. That is the decision of the Supreme Court. Where you think it is safe and good to privatise a particular PSU, pleased privatise it to the tune of 51 per cent. That is all I have to say. Whenever you disinvest in any sector, for God's sa! treat it as general revenue. Please scale down the debt for God's sake. If you sell shares of a particular PSU and if that PSU needs money, you reinvest in that project. But don't treat it as a general revenue floating around which you can use for anything or nothing. Thank you.

SHRI S. MUTHU MANI (Tamil Nadu): Sir, thank you for giving me this opportunity to speak. We have been all along opposing disinvestment of profit-making Central Public Sector Units. There was an apprehension that the funds obtained through disinvestments would not be used for modernising these units. That is what has happened now. In the oil sector the Government went in for disinvestment in a big way. The Indian Oil Corporation, the Bharat Petroleum and the Hindustan Petroleum were the first victims. Thereafter, the ONGC, the MTNL and the

BHEL also followed suit. Initially, the Government said that 10 to 20 per cent shares would be disinvested. Later it was raised to 30 per cent. Now they have decided to go in for disinvestment up to 49 per cent. I would like to know from the hon. Minister how much fund has been raised through disinvestment of various units and how this fund has been spent.

There are reports that the funds raised by way of disinvestment have been used only for balancing the fiscal deficit. If the Government resorts to selling away profit-making public sector units to meet the fiscal deficit, the very purpose of public sector units will be defeated. While creating public sector units our first Prime Minister, Pandit Nehru said that in areas of social commitments where private sector does not come forward, the Government must come in. But by disinvesting public sector units, the Government has thrown social commitment to the winds. Not only this. On the one hand, the profit-making units are being disinvested and on the other hand the sick units are not being revived putting thousands of workers to hardship.

Even after the recommendations of the BIFR for reviving certain sick units, banks and financial institutions are not coming forward for providing funds. This is because of the dual policy of the Central Government. On the one hand banks are going in for disinvestments for raising funds and on the other hand the Government says that the sick units would be revived by those very banks.

It is time the Central Government realised the impending economic crisis in the country because of its wrong policies. The Government is hunting with the hound and running with the hare. Several times we have raised on the floor of the House the issue of revival of sick units and the livelihood of thousands of workers. But the Government has not made its mind clear on this matter. Therefore, I urge upon the hon. Minister to tell the House how the Government proposes to revive these sick units. I would also like to know whether any timeframe has been set to revive the sick units. Since the workers are apprehensive, the hon. Minister should assured that the workers

would not be retrenched as promised by the earlier Government. Thank you.

SHRI NARENDRA MOHAN (Uttar Pradesh): Sir, I would like to make only two-three relevant points. The idea of disinvestment was to mop up capital so that there would be no shortage of capital for public sector undertakings. The other idea was to check inflationary trends. Both these objectives have not been met uptil now. The other most important reason — it was ridiculous — was to reduce fiscal deficit. My friend, Mr. Malkani, has categorically spoken against it. If we are going to use disinvestment to reduce fiscal deficit, the total economy will go into a shambles. The other important point is that this Government is changing even that policy. It is saying that with the help of disinvestment they will get funds which will be utilised in vital areas like health and education. Now getting funds for education and health was not the basic purposed for disinvestment. I do not know why there is no clarity in the mind of the Government. Do they really want to utilise these funds for this purpose? In a way fraud has been played. I would say again, a fraud has been played by the Government — not this Government, but the previous Government — with the help of Merchant Bankers. It sold the shares at practically peanut prices. I feel the present policy of disinvestment needs a complete reversal. The House should be assured that there will not be any disinvestment. If disinvestment is done without any purpose, without any guidelines or without any proper appreciation of the present fiscal needs of the country, it will harm the nation. Thank You.

SHRI JIBON ROY (West Bengal): Sir, I agree with all the suggestions made by hon. Members for the revival of public sector undertakings provided it is actually meant for revival and the character of public sector undertakings remains intact. But I have other problems. There are a few Members in this House who are directly connected with the public sector movement and public sector workers. We fail to understand what is happening. But what is being said through statement and speeches is completely different from ground-level realities. This is the biggest

problem that we are facing. The statement is probably the biggest non-statement of this session.

THE VICE-CHAIRMAN (SHRI TRILOKI NATH CHATURVEDI): You can bring these instances to the notice of the Government in detail later.

SHRI JIBON ROY: I am not going through all the details.

What is required is that Government should come out frankly with a statement. Do they actually feel that what they have done in the last five years has strengthened public sector undertakings? When the SICA was promulgated, in that year not more than 30 PSUs were referred to the BIFR. Now this has increased to 58. Nobody is coming out of the butchers house and more are entering it. Imagine, a steel plant has been referred to the BIFR. I would like to ask the Government: "Is this the way of strengthening PSUs"? Probably, the hon. Minister and the Ministry do not know what is happening at the ground-level. That is why I would suggest that a white paper be brought out on public sector undertakings. We should discuss it.

It is also one way of thinking. I do not blame Mr. Singla, my hon. friend. This is one view point, i.e. to privatise everything. As he said, whatever is there you dispose them as waste and give it to the private sector. But you take a policy, and discuss this in the House. If you can afford to do that, you dispose everything. But you discuss frankly.

SHRI SATISH AGARWAL: They will dispose of their shares when the Sensex falls below 2,800.

SHRI JIBON ROY: Disposal is going on. Final disposal is going on. In one case, Sir, first a public sector company had given a tender. The answer was that it was too high. Probably, the same public sector has given a tender the next year and the answer is that it is low. Massacre is going on, killing is going on. Therefore, they had to decide. I am not making a speech. I am speaking about the agony of the people at the ground level. The word 'competition' is being distorted. It has been distorted by the previous Government.

The same thing is going on. In the name of competition all those things are going on, disinvestment and displacement.

THE VICE-CHAIRMAN (SHRI TRILOKI NATH CHATURVEDI): Two more persons are there. Then the Minister has to reply.

SHRI JIBON ROY: I will conclude. My demand is, let the Government come out frankly, freely with what they want to do. The other day the former Finance Minister spoke that over-reliance on the private sector in respect of generation of power was not proper. Now darkness is coming to our country. I would like to know whether the Government wants to review the policy being followed for the last five years, taking the existing position into account, Hindustan Cables have given orders reverting to the private sector from the public sector.

My point is, let there be a white paper on public sector, let it be discussed in this House. If it is necessary, let there be a referendum also. Referendum takes place in many part of the world. Eighty per cent of our economy is linked with public sector system. It is not a small thing that we can take quick decisions. I would request the hon. Minister to see these things. Thank you.

PROF. NAUNIHAL SINGH (Uttar Pradesh): Sir, the Budget of 1996-97 proposes to garner Rs. 5000 crores from the sale of equity of public sector undertakings. It earmarks the realisation for spending on education, health and for creating a fund to strengthen PSUs. However, the Finance Minister has not quantified the allocations. Last year, against the target of Rs. 7000 crores the actual amount collected from PSU equity sale was mere Rs. 357 crores. PSU equities are not exactly hot cakes. Buyers have to accept that management will be controlled by the Government which also decides dividend payout. No wonder, Sir, PSU equities attract buying only in times of excess liquidity, sale of PSU equity in dribbles to shore up Government revenues will not do. The Government must come out with a clear-cut programme of privatisation. It must decide on the enterprises it must hold on to, Nuclear Power Corporation and-Antariksh, etc. And the

enterprises which it should get out of are hotels, airlines watch-making etc. A third or so of the equity of the second type of enterprises should be sold to controlling interests. A fifth of the equity should be offered to the workers of the enterprises and the balance to the public. However, the Government appears to have acted in a great hurry in its eagerness to set up the Disinvestment Commission and get it into motion. The terms of reference are populist at one level and yet deliberately vague on some of the vital questions concerning the future of PSUs. Further, a need for foreign exchange, on the other hand, might call for a different method of disinvestment. I would like to know whether the Government is aware of such problems and, if so, what actions have been taken by the Government in this behalf. However, conventional wisdom enjoins the Government to use the proceeds from disinvestment of equity of public sector undertakings to retire the public debt. But Mr. Chidambaram's Budget has ducked this obligation. While Mr. Manmohan Singh shouted a lot of hot air on reforms, Mr. Chidambaram, his successor, has taken shelter in the rhetoric of equity. There is no point in sweeping the debt trap under the carpet. In fact, the United Front Government should publish a strategy paper on this subject. Every reduction in the public debt by Rs. 5,000 crores brings down the interest burden by Rs. 600-650 crores. In four years, the annual interest saving would rise to Rs. 2,500 crores. This would be available for social sector spending. The question is, how can we reduce the public debt? There are two problems in this. Firstly, the Government should not increase the public debt. Secondly, the Government should sell the PSU assets and put the realisation into debt retirement.

Why PSUs? Because a third or so of the public debt was raised to finance the PSUs which, overall, earn a small profit. The loss-making entities should, therefore, be sold out. Delaying this with a rejuvenation fund solves nothing since interest payments on public debt—it is Rs. 60,000 crores already and is absorbing over 60% of the Centre's new revenues—will have to be met. So, the Government should

come clean on the public debt scenario and frame a PSU disinvestment policy to reduce the level of public debt in the quickest possible time. This will pave the way for the States to advance their bit of privatisation and redirect interest savings into improving primary health, education and child nutrition.

Whether or not disinvestment takes place, sickness of PSUs has to be cured. This can happen only if Parliament itself takes an overall view of the need for reform of the PSUs. Our task as a policy has to be to ensure that these PSUs are functioning well and are profitable to the society. Our current concern about divestiture should not deflect our attention from the continuing need to transform our SOEs into effective instruments for the nation's economic growth. Therefore, the Government needs to come out with a comprehensive policy on the public sector disinvestment rather than use it singularly as a means to manage the fiscal deficit and mobilise additional funds. Disinvestment does not only mean the transfer of public sector assets to private sector, but it means a shift of relative responsibility for economic sector management. However, I would emphasise that the Government needs to distance itself from the functioning of the public sector enterprises and allow their independent functioning as in the case of private sector enterprises, called 'cold-privatisation'.

Thank you.

SHRIMATI MARGARET ALVA (Karnataka): Mr. Vice-Chairman, Sir, I am very grateful to you for giving me this opportunity.

Sir, public sector was created in this country with a certain ethos and with a certain hope that public sector would serve as a trendsetter in the country. Must start today by acknowledging the fact that public sector in this country has played a role in creating a real industrial base in this country over the last 50 years.

. We sometimes find fault with individual enterprises. We say that there has been no return on capital or whatever it is. I think the basic objective of starting the public sector was not profit-making. It had the social cause behind it, if I may say so, which everyone is

talking about today. The idea of creating the public sector was not simply making money and profit and creating a market economy. Therefore, today to judge public enterprise against the concept of profit-and loss and investment-and-return, I think, is a wrong concept. I know what everybody is going to say. They may say, "Your Government started it, you are responsible and you are guilty". Sir, I do realise the compulsions of 1991, the conditions in which we took over. There was the question of reducing the deficits. There was a new international financial situation and so* on and I will not go into the details. But these compelled certain policy directions to be changed and the Government responded, taking into confidence all the political parties, that certain changes and certain interventions, as a departure from the past, would have to be undertaken.

Sir, today we have two types of public enterprises. I have served on C.O.P.U. for many years. You have the profitmaking enterprises and the loss-making enterprises. Now, to say that many have been loss-making, so the entire public sector should be damned, is I think and uncharitable assessment. The Rangarajan Committee Report is there. The Krishnaswamy Committee Report is there and so on and so forth. I am not going into the details for lack of time. But the basic question that is being raised today is that we need money and we need returns. Now, because we need money, we disinvest, we sell shares, we sell equity and we get money so that we are able to invest.

I want to say two things basically. If the public sector has not been able to deliver the goods and make money, it is for two reasons. One is that we have not modernised and we have not made enough investments in making these enterprises profit-making. We have to invest. We have to modernise. We have to bring in new technologies which we didn't do. We kept milking, so to say, the proverbial golden cow until they have run out of their capacity to deliver the goods. And the second thing which I want to say is that all these years the public sector was an eye-sore to the private sector in the country. They had all sorts of complaints and they said that we were giving them preferential treatment, we were giving them subsidies, etc. And today suddenly we

are telling the public sector, "You and the private sector together must compete with the multinationals, the international companies and prove your capacity to compete with them". This is like suddenly throwing open the flood-gates and telling them to stand or go home. This is what is creating a sense of frustration and insecurity. The second point that I want to make is, how much freedom or autonomy has been given to the public sector enterprises, whether it is by my Government or your Government or any Government? I am sorry, not my Government, but by the Congress Government. The *baboo*s sitting in the Ministries in Delhi, *Yojna Bhawan* or any other *Bhawan*, take decisions. Joint Secretaries can hold up release of funds for months on end while cars and other facilities of the public sector are all used by officers sitting in Delhi. They have to go for board meetings, they sit there. How much money has gone to maintain these so-called officers who are supposed to be running those enterprises? This is something which the Government must look into. Sir, this is the age of specialisation. This is the age of technocrats. Instead of getting the technocrats and those who are capable of running these enterprises, all of us are guilty that we have depended on the bureaucracy, the IAS and other All-India Services to head these enterprises, to run them, to become the decision-makers, sitting in Delhi without probably knowing what the balance-sheet has been in the past. This has been the crisis which has been created. Sir, MOUs were signed. It was decided during Rajiv Gandhi's Government that a certain amount of autonomy, freedom and other things should be given. How much of it has been implemented? Those who have been allowed to function have proved that given a change in management, a change in approach and a change in priorities, they can deliver the goods. Sir, what hurts me—and I am sorry that I have to say it today and even when I was in Government I was protesting in my own way saying that for many things that we were doing we would have to be sorry—is that we are killing our industries which have stood the test of time. Sir, we are giving away 51 per cent, 74 per cent shares or whatever it is, to anybody and everybody who is buying them; we are killing the capacity to

be self-reliant in many core and very important sensitive sectors.

Sir, here I would like to give just one example — I don't give individual examples. Sir, we have been leading delegations on the newsprint industry. We have been fighting as every single unit today is facing the problem because we have changed the policy. I went to the Finance Minister, I went to others also saying, "You have removed subsidy for domestic newsprint—I am sorry, leave alone the subsidy, you are imposing duty on imported newsprint—you are telling the domestic newsprint industry to compete with newspapers coming from anywhere and it is being literally dumped..."

SHRI VAYALAR RAVI: It is excess duty on newsprint.

SHRIMATI MARGARET ALVA: Exactly. They are being encouraged to import and everybody is being told that it is cheaper to import than buying from the domestic market. So, after all these arguments, these units have closed down because there are no orders and no inventory. And when they raise their prices, you will then say, "Now we have to pay because we cannot compete, we have nothing at home." We are destroying our capacity to fight back and the stranglehold is becoming stronger and stronger on our domestic industry. I think we owe it to ourselves. I am not talking here as a party persons, as Government, Opposition, here and there, I am talking purely as an Indian and as a representative both of the working people and our public sector management. The BIFR is all right. The moment a unit goes to BIFR—have seen it happen, Sir, — banks stop releasing any money. They say, they are sick and don't give them transfusion. You kill them and starve them. Where do they go? Where should the workers go? I understand the need of modernisation. Let us work out packages so that they can become more efficient. Let the working class and unions join hands and see how production can go up. After all, they are responsible people of this country; they are also as much committed and as concerned as you or me or the tax-payer. Let us sit together and find a way by which they can be revived. BHEL is up for sale; ONGC is going; all the big premier

undertakings of this country, whom Jawaharlal Nehru had called the 'temple of new India' are disappearing and what are you going to have? You are going to have French companies, American companies and Japanese companies and everybody, as our new gods in this country. I could give a lot of statistics and points, but I know that statistics can be quoted by anybody, the devil himself, to prove a point when it suits him.

Therefore, I am not going to quote statistics. I am saying whether it is banking sector or the insurance sector—the other day there was a discussion on insurance sector—I could not be present for various reasons—in every single sector we find this position. This has happened to the ITI in Bangalore. The other day I raised a question about it in this House. We are talking about huge investment in telecom, my own Government also I said it and I am saying it now, why are we allowing our own created infrastructure to be destroyed? Allow the technology to come here. Let us import technology and modernise what we have, rather than sell it away and say, you take it for the going rate and they are all going. Sir, I know and I am saying with a certain amount of responsibility as to who fixes all these share prices. These are fixed by somebody sitting somewhere. Is he a technical man? What do they do? After they are sold, the prices shoot up. At the time of selling, the prices come down. You sell them for a song and then we say, oh, there is a scandal! Who is looking into these matters, under what conditions these shares are being disinvested? Scandals are seen after everything is sold out. They say that somebody made money and somebody went. Are we preventing all these things from happening or are we leaving it totally to the bureaucracy and allowing them to do what they want?

Sir, I talked of telephones. The same thing happened with the wagon industry. There was a debate in this House. We imported wagons and stopped placing orders on the public sector units which were delivering the goods all this time. We fought it out here. Suddenly, we wanted something else. I spoke about newsprint. I can speak about a number of things, but I won't. I am not opposing

investment. Let it come and let it go into infrastructure; let it go into modernisation; let it go into new investment which can modernise and improve efficiency and produce the goods we need.

Ultimately, it is competition and survival of the fittest. We have to give support to the public sector—it has proved its worth over these years—and see that they face this challenge of change-over and turn the corner, if I may say so, and are able to stand up. BHEL has competed against the Japanese, against Siemens against big companies and won tenders all over the middle-east and all over the world, all of them. They have shown what they can produce. Sir, now we are talking of disinvestment in BHEL, disinvestment in ONGC. Was not our oil sector the pride of our country at one time? Even that is now being thrown open. We are throwing open what we have developed by way of national investments. Off-shore oil fields are given away to multi-national companies after we have discovered them and after we have developed them. I am, therefore, appealing to the Finance Minister and the Industry Minister who are here, let us look at this not as a responsibility of one Government or one Minister or one regime. Regimes come and go; Ministers come and go; Governments come and go; All I am saying is, it is our fundamental responsibility to protect what we have built. Let the slogan which Indira Gandhi had given be restored in this country—"National self-reliance; taking pride in being Indian and producing Indian." There may have been aberrations and I am not justifying them. I am appealing that we should sit together, review it as a national issue. On the question of disinvestment we should apply the reverse gear if necessary and take corrective action.

[The Vice-Chairman (Shrimati Kamla Sinha) in the Chair]

(SHRI MURASOLI MARAN): Madam Vice-Chairman, I congratulate Mr. Dipankar Mukherjee and 15 other non-Members for having thrown light on this important subject of sickness in the public sector and on disinvestment. Mrs. Margaret Alva was really

waxing eloquent on why our public sector undertakings should not be disinvested. I agree with her but it is too late in the day because so far we have not done anything at all. We have just initiated the disinvestment process. What all has been done, has been done by her Government. Madam, without going into those things I would say that the public sector has been central to our philosophy of development. There is no doubt about it. Nobody speaks ill of the public sector in toto. There are about 241 public sector undertakings. 130 PSUs are making profits to the extent of Rs. 12,000 crores. But there are 109 PSUs which are a drain on our resources, which are making losses of about Rs. 5,000 crores. Madam, the public sector is producing hundred per cent petrol, hundred per cent copper, 60 per cent steel, 60 per cent Zinc, and 60 per cent aluminium. So, we simply cannot ignore the public sector. This is not the policy of this Government. Madam, the problem is with the inefficient loss-making public sector undertakings which are a significant burden on the Government finances, Government Budgets, banking system and our scarce resources. They have an effect of negative growth. Expenditure on this is limiting the efforts to reduce poverty, to spend on sectors like health and education. The larger the overall deficit, the larger the fiscal and current account deficit, which, in turn, have a negative growth effect. So, this accumulated loss is most costly and we can least afford it. There was no problem until the late 70's when the Government was showing some surplus revenue. But today, debt is ballooning. Revenue deficit has reached an unprecedented proportion. A compelling situation has arisen by the inability of the Government to continue to subsidise the public sector through Budgetary support. Madam, I would quote from the Common Minimum Programme. "The United Front Government will help to make public sector strong and competitive. In a competitive and technology driven economy, there is no room for monopolies and inefficiency. The public sector enterprises which are commercial enterprises can conduct their business on commercial lines. They cannot be allowed to be dependent, they should show healthy returns on capital employed."

Madam, this is the crux of the problem. Some hon. Members wanted a White Paper. Our Common Minimum Programme is a White Paper. It has clearly stated what we think about the public sector and what we should do with the public sector in future. What is commercialisation? It does not mean privatisation. It does not mean change of ownership from public to private. There should be a change in the governing principles— from statute to market, from need to demand. There should be a change of procedure such as from cash budget to cost accounting, from prior approval of bureaucrats to management by objectives and professionals. So With this idea, we have been attempting to embark upon our revival programme. Whichever industry has become sick, we want to revive it. There is no doubt about it. I want to assure the hon. Members that there is no lack of effort on the part of the Government. We are doing everything possible. We are taking timely and effective steps to revive the public sector undertakings. So, if the hon. Members want, Sir, I can cite some examples. ...*(Interruptions)*... I will give one by one. First of all, I want to take the example of Bum and Jessop Construction Company Ltd. replacement and modernisation of plant and machinery has been undertaken. With regard to Bharat Wagon Engineering Company, I would like to say that it is a profit-earning company. However, the company incurred losses during 1994-95 due to drastic reduction of wagon order. With the release of wagon order, the company is likely to earn profit in 1996-97. As far as Braithwaite Company Ltd. West Bengal, is concerned, for its revival fresh funds to the extent of Rs. 26.68 crores, including Plan and non-Plan, are needed. About Rs. 84.65 crores of loans and interest should be written off. Then Rs. 61.67 crores have to be converted into equity. Sir, action is being taken to release the balance margin money. The sanction scheme is under implementation. With regard to Bridge and Roof Company I would like to say that a capital restructuring proposal has been considered at a greater length and it is at the final stage. It will be put up for approval of the Cabinet very soon. We are also considering about delinking. Then comes the Bharat Pumps and

Compressors Ltd. We sanctioned a rehabilitation plan Of the company in August 1995. Action has already been initiated for implementation of the revival scheme. The Government has been releasing periodically Plan, non-Plan and VRS funds. We also provide capital restructuring and capital guarantee. With regard to Bharat Heavy Plates and Vessels Ltd., I would like to say that the Government of India has asked the company to submit a capital restructuring plan. Sir, for Bharat Walls we have sanctioned a scheme for implementation. The Government of India has already conveyed its approval for its implementation. Sir, for Hindustan Cables Ltd. a package of measures has been worked out and a note to the Cabinet Committee on Economic Affairs, CCEA, has been sent by the Cabinet Secretariat. This will help the company to tide over its financial crisis and ensure its viability. With regard to Instrumentation Ltd., I would like to say that in a meeting held on 18.1.1996, the Director, IDBI, was told to finalise a revival package. The company has submitted a revival plan and has been negotiating with prospective joint venture partners for an MOU. Sir, in the case of Jessop Company, the BIFR has appointed the SBI as an operating agency. The report of the operating agency has since been received and on the basis of the report of the operating agency, a draft note is being prepared by the CCEA to firm up the views of the Government before the BIFR for the revival of Jessop Company Ltd. As far as Mandia Paper Mill is concerned, we have infused an amount of Rs. 8 crores into the operation of the company and Rs. 3 crores have been released as counter-guarantee to the bank. For extending working capital facilities, an amount of Rs. 11 crores has been sanctioned. So, it is going to be revived very soon. Then comes the Nagaland Pulp Company Ltd. The Group of Ministers has approved a revival plan by financing, restructuring and an additional capital has been sanctioned so that 90 per cent capacity utilisation is achieved in the Paper Mission-I. But, because of the law and order problem, it is held up.

Coming to Richardson and Cruddas, the ICICI had prepared a rehabilitation scheme of

the company and submitted it to the Government. This was examined by the Government and it was decided to support the same. The BIFR was informed about the Government of India's stand. The Government of India has been periodically releasing funds, providing capital restructuring and providing counter guarantee to the bank. Then, coming to the Reyroll Bum Limited, BIFR has directed the Government to engage a consultancy firm for preparing a revival scheme afresh. The consultant report has since been received. On the basis of the consultant's report, a draft CCEA note is being prepared to firm up the views of the Government before BIFR on the revival of RBN. Then, Triveni Structural Limited. In this case, action has already been initiated for the implementation of the revival scheme. On its pan, the Government of India has been periodically releasing Plan and Non-Plan funds, providing capital restructuring and providing counter guarantee to the bankers. Then in Scooters India Limited we have infused fresh funds to the extent of Rs. 22.45 crores. Then we have written off Rs. 615.59 crores. We have converted the loan into equity to the extent of Rs. 27.22 crores. So, we have revived it. This is going to be implemented and it is going to function. This is how plans are there. So there is sickness. It is not a generic problem It is an enterprise to enterprise problem. We are looking into it. In my Ministry alone. There are 49 industries, in the Department of Heavy Industries. We are embarking on a master plan, to revive them. If they are sick we are studying how to provide funds for them, how to restructure them. Does it require financial restructuring, does it require technological support. All these things we are finding out. We are calling each and every Chairman and Managing Director and the financial directors at micro level. We are consulting with them. Very soon we will be going to the Cabinet with a detailed proposal. The Department of Public Sector Enterprises is also preparing a note on how to expand autonomy to the units and our DHI master plan will be a model plan so that other public sector undertakings may also follow it. This has been going on now.

Now, I come to the disinvestment part of it. Mr. Gurudas Das Gupta and others

have asked, "Why disinvestment?" ...
(Interruptions)...

SHRI VAYALAR RAVI: Sir, Palakad Unit is making profits, Kota is making losses. Why do you club them together?

SHRI MURASOLI MARAN: If you club them, then both will go down. That is the point ... (Interruptions)...

SHRI VAYALAR RAVI: That is what I am saying. Do not club them together ... (Interruptions)...

SHRI MURASOLI MARAN: Mr. Ravi, you want it. But, people there do not want it. What I can do? That is the bad thing of public sector ... (Interruptions)...

SHRIMATI MARGARET ALVA: Which -people do not want it?

SHRI MURASOLI MARAN: The people belonging to that State. The people belonging to that State are saying, "Do not do that." Friends like Mr. Ravi say, "Do that."

SHRIMATI MARGARET ALVA: He is saying, "Do not club them."

SHRI VAYALAR RAVI: Sir, Palakad is making profits but Kota is making losses. Mr. Satish Agarwal may be for clubbing but I am not in favour of clubbing. Please make it a point.

SHRI O. RAJAGOPAL: I am from Palakad. I know about it. People in Palakad do not want this clubbing. It is an autonomous and profit making body.

SHRI MURASOLI MARAN: Anyhow, experts have to look into it. I am not an expert.. (Interruptions)...

SHRI SATISH AGARWAL: Kota instrumentation was also a profitable one sometime back. Have you gone into the causes as to why they fell sick. Have you ever conducted a study to look into these causes.. (Interruptions)...

SHRI MURASOLI MARAN: Several studies have been made. Still, I will make one more study. We will analyse it. It should be done by experts, not by politicians like me.

SHRI V. NARAYANASAMY: By that time the industry will die... (Interruptions)...

SHRI MURASOLI MARAN: That is the problem with bureaucratic management in the public sector...*(Interruptions)*...

SHRIMATI MARGARET ALVA: You get technocrats. Why are you depending on bureaucrats.

SHRI V. NARAYANASAMY: You have got professionals in various fields. You take their advice.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): Let the Minister complete.

SHRI MURASOLI MARAN: The private sector managers live under the threat of bankruptcy. For them the bottom-line is 'profit.' In the case of the public sector, they can go to the Government for financial support. That is the problem. That is why we want to restructure and reform the public sector so that they can stand on their own legs and produce some profit. That is our objective.

SHRI VAYALAR RAVI: Act with an open mind.

SHRI DIPANKAR MUKHERJEE: Mr. Maran, please continue.

SHRI MURASOLI MARAN: Mr. Dipankar Mukherjee and Mr. Gurudas Das Gupta had asked...

SHRIMATI MARGARET ALVA: Mr. Mukherjee, the Minister does not need your support.

SHRI DIPANKAR MUKHERJEE: I am asking the Minister. *(Interruptions)* It is my Calling-Attention. *(Interruptions)* I have put certain questions. *(Interruptions)* I am asking the Minister. I want my questions to be replied to. *(Interruptions)* I had moved the Calling-Attention. *(Interruptions)* This is not the way. *(Interruptions)* I have the right to get reply to my questions. *(Interruptions)*

SHRI V. NARAYANASAMY: Mr. Mukherjee, you know the procedure. When a hon. Member moves a Calling Attention, it becomes the property of the House. *(Interruptions)* He cannot dictate terms to the Minister. We had also put certain questions. Let the Minister answer those questions. *(Interruptions)*

SHRI V.P. DURAISAMY: Let us allow the hon. Minister to complete. *(Interruptions)*

SHRI V. NARAYANASAMY: He is saying: 'my Calling-Attention'. 'My Calling-Attention'; 'your Calling-Attention'; what is this? *(Interruptions)*

SHRI SATISH AGARWAL: Once a Calling-Attention is moved, it becomes the property of the House. Mr. Dipankar Mukherjee is not right in saying that because he had raised the Calling-Attention, he has the prerogative to dictate to the Minister. *(Interruptions)*

SHRIMATI MARGARET ALVA: It is not his private enterprise. *(Interruptions)*

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): Mr. Mukherjee, the Minister would come to your questions. Why do you worry? Please sit down. Let the Minister reply. *(Interruptions)* If you do not get the answers to your questions, you can put your queries later on.

SHRI NARENDRA MOHAN: Madam, would you permit clarifications later on?

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): Please sit down.

SHRI MURASOLI MARAN; Mr. Dipankar Mukherjee had put a pertinent question. He asked as to why we were disinvesting. It is a very eriteal question. I would answer it briefly, in the sense that at present, we are doing it as a limited exercise to fill the gap of fiscal deficit, without creating any inflationary impact. But that is not the only answer. At the same time, I would say that we are not doing it on any ideological grounds. I do not think there is any doctrinaire ground for this. I fully agree with him.

That is why some people comment on this disinvestment policy as budgetary disinvestment. I would like to point out that we want to bring about some market discipline by this kind of disinvestment, in the public sector management. If disinvestment brings this about, it would be an improvement. But we have to go a long way.

In regard to the Disinvestment Commission, Mr. Chaturvedi has asked all the

relevant questions. Mr. Chaturvedi said that the Chairman of the Disinvestment Commission was one of the best persons who conducted himself very creditably during the JPC proceedings; he said that he knew it as a Member of the JPC. That is why we put him as the Chairman.

He asked as to why there should be a core group. Many members had put this question. Madam, I would like to point out that the core group is chaired by the Cabinet Secretary. It consists of Secretary (Revenue), Member-Secretary, Planning Commission, and others. The core group is there just to do the first two tranches. You may ask: why the first two tranches have been given to the core group'. This is because the Disinvestment Commission was constituted later on. I think it was some time in August. To be precise, it was set up on 23rd August. But this disinvestment process had started even earlier. At that time, we thought that it would take some time for the Disinvestment Commission to become operational. So, the core group started functioning.

Mr. Gurudas Das Gupta asked whether the wings of the Disinvestment Commission had clipped. I would say, after the first two tranches, the wings of the core group would be clipped; its functions would be less, in the sense that they have only to give the list. As it is, the core group has selected 40 industries. They have given it to the Disinvestment Commission. If the Disinvestment Commission wants to take up some more, the core group would select the industries to be given to the Disinvestment Commission.

The question still remains. Why should there be this core group at all? Madam, the core group is representative of the Government. These are financial and economic matters. Nobody has the time to go into these small, small matters. That is why a responsible group of senior Government officials has been put in place to represent the Government, in relation to the work of the Disinvestment Commission. Otherwise, it has no function at all.

Another question which had been put was: 'why was the role of the Disinvestment

Commission advisory?' This is because (he CMP says that it should be advisory. That is why we have made it advisory. Mr. Chaturvedi knows. I need not have to tell him. In 1991, when disinvestment was started, a lot of things happened; a lot of unhappy things happened; a lot of unpleasant things happened. At that time, the CAG and the Public Accounts Committee has pointed out a lot of inadequacies and disquieting features. That is why the Government appointed the Rangarajan Committee. Even the Rangarajan Committee did not recommend a statutory Commission. They also recommended a standing committee. Therefore, there is not much of a difference. A statutory commission means it is created by a statute, by a law. This committee was created by an executive action. After all, it is an advisory body, in the sense that the very set up is like that. The Chairman and the Member Secretary are the only two permanent members, and others are part-time members.

Mr. Chaturvedi has said something about one member. I don't know much about it. If he brings it to my notice...

SHRI TRILOKI NATH
CHATURVEDI: You check up. I have nothing to do with it.

SHRI MURASOLI MARAN: If you have anything to say, please bring it to my notice. I will definitely take action—there is no doubt about it.

Madam, Mr. Gurudas Das Gupta has asked several questions. He asked, what will happen if you sell all the shares? I want to make it very clear that we are not doing privatisation at all. I know it very well that privatisation, as it happened in the erstwhile Soviet Union or the East European countries, is unthinkable in the near future in India. Nor is wholesale privatisation a remedy to the problems of our public sector undertakings. So we should make them more effective. What we are doing is, as I have already told you, a limited exercise of disinvestment. It will not result in the change of ownership because what we are disinvestment is just five per cent, two per cent, like that. The IOC has a plan to disinvest only five per cent. In the VSNL, they want to disinvest seven per cent of the Government equity. So the ownership will not change.

SHRI VAYALAR RAVI: The whole character will change into that of a company now.

SHRI MURASOLI MARAN: Because still 97, 95 or 85 per cent is remaining with the President of India, the character will not change, the ownership will not change. I give you that guarantee.

SHRI VAYALAR RAVI: Then whose character will change?

SHRI R.K. KUMAR: The PSUs' character will change.

SHRI MURASOLI MARAN: How will the character change?

... (Interruptions)...

SHRI VAYALAR RAVI: Because it will become a company.

SHRI MURASOLI MARAN: That is how people expect that it will bring in some kind of a market discipline, some kind of a market democracy in the general body meetings. That is what we expect, that is what we have planned.

SHRI JOHN F. FERNANDES: The character will certainly change. For instance, Air-India Corporation has been changed into companies. Otherwise you cannot go to the market to mop up capital.

SHRI R.K. KUMAR: Whosoever owns 51 per cent are the masters. What happens is, the Companies Act has provisions about oppression of minority and mismanagement and so, the 49 per cent will question the 51 per cent to run the company in a better way,

SHRI MURASOLI MARAN: We are not going in for so much disinvestment. At the same time I would like to share with this House what we have said in the Common Minimum Programme.

Hon. Mr. Malkani has raised a question— should we run hotels? That is a very moot point. Should the Government run hotels and incur losses? It is a big question. Therefore, our Common Minimum Programme has provided for this thing. There it is stated, "The question of withdrawing the public sector from non-core and non-strategic areas will be carefully examined, subject, however, to

assuring the workers and employees of job security or, in the alternative, for retraining and redeployment." This is there. But we have not moved in that direction. So I once again assure the House that we have not undertaken total privatisation as has happened in the erstwhile Soviet Union. We are not on it, we are not for it. But, at the same time, recently, under the orders of the BIFR, in West Bengal, Damodar Cement has been disinvested totally and put in the private sector. We did it with the consent of the West Bengal Government and with the consent of the workers. They are all happy. We have sold it and it is now with the ACC. So this kind of questions we still have to answer. Should the Government make bread and sell it? So we have to come to a decision, and that is a hard decision because we are all accustomed to a certain type of culture. As Mr. Vayalar Ravi has stated, we are all worshippers of the public sector because we are not accustomed to this paradigm decision to privatise. So it will take some time. Meanwhile we should not let down the public sector. Mr. Kumar spoke about the BIFR. I fully agree with him. the SICA should give some forewarning system. What is happening is totally wrong. It is a time-consuming process. The SICA has now a narrow definition of sickness, and it cannot deal with incipient or potential sickness. So, the management has been able to use the BIFR route to abdicate its legitimate responsibilities. The workers, the financial institutions, the banks and the Government are often the losers under the present dispensation. Therefore, the hon. Finance Minister announced in his budget that he would bring a new law plugging all the loopholes of the SICA. Therefore, I assure the hon. Member that a new Act is in the offing.

SHRI R.K. KUMAR: The composition is also important.

SHRI MURASOLI MARAN: I think, the Finance Minister will take care of it.

I am coming to the end of it. I thank the hon. members for all the opinions they have given. I have noted them down. I will take them into consideration. I once again assure them that the public sector is one of the important components of our economy, and we will not let it down. Where revival is economically

feasible and operationally possible, we are committed to revive it. We will do it.

Thank you, Madam.

SHRI V. NARAYANASAMY: Madam, I put two important questions to the hon. Minister, and he has taken note of them. One is that right from 1991 till this date when the disinvestment was made in the public sector, what the total amount is that has been ploughed back into the public sector for its improvement. This is very pertinent question. I think the hon. Minister took note of it.

There is one more point. What criteria have you adopted for identifying the 40 public sector undertakings which have been identified by the Core Group? Have any guidelines been issued by your Ministry to the Core Group for the purpose of identifying them.

SHRI MURASOLI MARAN: I am sorry to note that hon. Member was absent-minded for the last five years. During the last five years, 39 companies have been disinvested to the extent

SHRI V. NARAYANASAMY: I think you have not understood my question. ..
{Interruptions}.

THE LEADER OF THE OPPOSITION (SHRI SIKANDER BAKHT): He has understood you. that is enough.
...(Interruptions)

SHRI MURASOLI MARAN: You never did it in the last five years.

SHRI V. NARAYANASAMY: It is a continuing Government. Therefore, the responsibility falls on you today. Therefore, I am putting the question to you. Otherwise, I would have put the question to another Minister. What amount has been reinvested in the public sector. You kindly answer this question.

SHRI MURASOLI MARAN: I will tell you. In the last five years, disinvestment has taken place in 39 companies. The revenue collected is Rs. 9,962 crores. It has been absorbed by the Government. That is all thing. Now only we have stated in our CMP that we would use whatever we disinvest for health and education in backward areas and that an Investment Fund would be created so that the

money would be spent for increasing the operational efficiency of public sector undertakings. Now it has been decided that at least. 10 per cent would be earmarked for public sector undertakings. The hon. Members suggested that more should be done. I will try my best to get more.

SHRI V. NARAYANASAMY: Have you given any guidelines to the Core Group for the purpose of identifying 40 undertakings, or have you left it to the Core Group?

SHRI MURASOLI MARAN: 40 public sector undertakings have been identified by the Core Group. So, after Commission finishes this exercise, more undertakings will be considered.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): Mr. Minister, you don't have to respond to everybody's query as you have already answered. They have already spoken.

SHRI JOHN F. FERNANDES: Madam, I raised a pertinent point. I gave an example of how a PSU could be made sick by bureaucrats. I gave the example of Air India where Government officials and non-officials sat on the Board and decided that they should get tickets permanently, throughout their life. There is no Government control on this Board, and there is interference. I have told the hon. Minister to delink PSUs from the Government bureaucracy and to have a P.S.U. Control Board so that it would be away from the Government and safe from interference of bureaucrats. Only then can they function as commercial institutions.

SHRI MURASOLI MARAN: It depends upon company to company. For example, the Steel Authority is doing very well. The BHEL is doing very well. It is competing with multinational organisations.

That is a different point. Take for example, a private sector company like ITC. What is happening there? So, it depends upon the company and the professionals who manage it.

SHRI VAYALAR RAVI: Sir, you are converting a company and anybody can go to court. AGM is going to be the supreme body of a company. Now COPU is dealing with the

public sector enterprises. In such a situation the authority of Parliament will be reduced and the AGM will become supreme, because that is the controlling authority. When you are selling even 5 per cent of shares, and if one shareholder goes to court, it is going to create a problem. That is my worry. How do you tackle this problem? Don't reply now. You can think it over.

SHRI MURASOLI MARAN: The dominant shareholder is the Government. COPU represents the Government. So, what is wrong in it?

SHRI VAYALAR RAVI: When you sell even 5 per cent shares, even one shareholder can question the authority of the COPU. That is my worry. I may be wrong, but you can look into this.

SHRI MURASOLI MARAN: I will look into this.

PROF. NAUNIHAL SINGH: Madam, I would like to ask the hon. Minister one simple question. While we are talking about the causes of sickness of PSUs, I would like to know how many professionals are there who run the PSUs and how many of them are IAS officers holding managerial positions and how many are professionally trained men.

SHRI MURASOLI MARAN: Madam, I do not have this information with me.

SHRI DIPANKAR MUKHERJEE: Madam, based on whatever has been happening in the public sector for the last five or six years and based on what has been said in the House, I would like to know whether it would be possible to lay a White Paper on the public sector keeping in view the objectives for which it was set up, the objectives which are still there in the public sector enterprises, the survey which has been mentioned and whatever changes that have been made. Let them be assessed in terms of those objectives and a White Paper be placed here.

SHRI MURASOLI MARAN: Madam, a White Paper may not be necessary. We have clearly stated all our goals in the CMP. We have also got reports after reports on public sector undertakings. We have got the Krishna Menon Committee Report, we have got the L.K. Jha Committee Report. Several reports

are adorning our admirals and are gathering dust. We have enough material. What we want to do is to take enterprise by enterprise, go into them and solve the problem. That is the matter before us.

SHRI SATISH AGARWAL: You are talking of CMP and he is talking of CPM!

SHRI DIPANKAR MUKHERJEE: > Regarding revival packages, I would like to know whether the Minister would be in a position to make a time-frame for all the agencies including the BIFR. BIFR has a time-frame of 90 days. I would like to know whether the same time-frame can be set for banks, financial institutions and the Government to implement it.

SHRI GURUDAS DAS GUPTA: Madam, one thing is very important. So far as revival, restructuring and revamping of the public sector is concerned, the process of revival is found to be difficult. At different levels there is delay. Mostly the delay is due to indecision on the part of the Government departments. When the Government decides to revive, it becomes almost difficult. Will the hon. Minister kindly assure the House that while taking up individual appraisal of units, there will be special efforts to speed up the Government appraisal and also to speed up the process of revival so that only the shortest possible time is taken.

SHRI MURASOLI MARAN: Madam, I agree with the hon. Member. I feel really sorry that so much time has been taken. In the meanwhile several crores of rupees are going down the drain. As you know well, the Government is a leviathan. It acts as a live tiger and it pounces immediately if it is a law and order problem or if it is a police duty, but if it is a developmental activity, the Government acts as a snail. I am very sorry to say this. We have to quicken the process. I will try to do it in my department.

STATEMENT BY MINISTER

Re: Situation arising out of Allahabad High Court judgement on imposition of President's Rule in Uttar Pradesh

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): The debate is concluded.