

[Shri Dipen Ghosh]

sion and this could not be concluded, the Minister could not give the reply. This time also the same thing is taking place. This is a very important issue. We wanted to discuss the matter when it was sought to be laid on the Table. You may please remember. Today at 5 o'clock I have no objection if Shri Jain got up to raise the discussion but tomorrow it should be taken up sharp at 11.00 without any special mention or anything else.

THE VICE-CHAIRMAN
(SHRI BHASKAR ANNAJI MASODKAR): It is for the House to decide.

SHRI DIPEN GHOSH: This is very important.

SHRI SURESH KALMADI (Maharashtra): The session should be extended by one day.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): This will be conveyed to the Chairman. Tomorrow's Revised List of Business will reflect this. Your feelings will be conveyed.

SHRI DIPEN GHOSH: But how long? It is not only a question of feelings.

SHRI YASHWANT SINHA: Mr. Vice-Chairman, it is not only the feeling of Mr. Dipen Ghosh, but Mr. Jagesh Desai from that side also has supported it; we all support it. We are all concerned at the fact that the time available to the House for the discussion of a very important policy document of the Government should be adequate to enable us to reflect our views.

THE VICE-CHAIRMAN
(SHRI BHASKAR ANNAJI MASODKAR): I entirely agree with you; there is no dispute on that. Now let us take up the discussion.

SHORT DURATION DISCUSSION ON NEW INDUSTRIAL POLICY

DR. JINENDRA KUMAR JAIN (Madhya Pradesh): I thank you, Mr. Vice-Chairman, for giving me the opportunity to initiate the debate on the Industrial Policy Resolution laid before this House on July 24th, and I most humbly pray to that group of honourable Members, who are popularly known as the "shouting brigade", to let me exercise my freedom of expression in this august House..(Interruptions)..

Time and again, Sir, Indians all over the world have, through their individual attainments, proven that we are a wise, intelligent and industrious people, yet, collectively, this vast nation of 850 million people is one of the most backward in the world. The fault, evidently, is not in our people but in our politics and in our policies. There is a clear link between politics and policies, and, therefore, I will make a comment on politics before I come to the Industrial Policy.

Sir, India became free in 1947. The British Administration was taken over by the Congress Party which, was, eventually, taken over by and remained under the control of one family, like a large, closely-held joint stock company. This nation fought for freedom and we attained freedom from the British.

SHRI VISHVJIT P. SINGH (Maharashtra): Sir, I have a point of order..(Interruptions). Sir, I have the greatest respect for Dr. Jain, who is a friend of mine. In the past I sat here while he delivered his speeches, and they are very brilliant, normally. I don't know why, but today I find that Dr. Jain is reading out his speech. It is an already-prepared speech-prepared by

somebody else—which he is reading out. I would request him through you, Sir, to be the normal, wonderful parliamentarian that he is and speak extempore from points rather than read out his speech. It is not the tradition of this House that senior Members and well-thought-of Members should read out their speeches. Thank you, Sir.

SHRI YASHWANT SINHA (Bihar): That he is reading from somebody else's text, I think, is a very unfair remark.

SHRI JAGDISH PRASAD MATHUR (Uttar Pradesh): He is only consulting his notes.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Dr. Jain, I hope you appreciate the compliment.

DR. JINENDRA KUMAR JAIN: Sir, I appreciate his compliments. I will put my explanation to him: If I am a doctor, it does not mean that some minor ailment cannot take me. And I have a bad headache ! I am only consulting my notes and I assure you that I will not speak anything which is unworthy of being spoken in this honourable House.

SHRI A.G. KULKARNI (Maharashtra) : Every thing is worthy now !

DR. JINENDRA KUMAR JAIN : Sir, I was saying that this nation fought for freedom and we attained freedom from the British. But we were enslaved by our own bureaucracy and Indian industry was shackled by a system of restrictive economic policies. The objectives of Nehruvian policies were laudable. But let all of us be honest and accept the fact that the present-day ruination of our national economy is a consequence of the enslavement of our entrepreneurs by these very policies of controls, regulations and licences.

I am disappointed, Sir, to note that the Industrial Policy of 1991 commences with a ritual reiteration of the Nehruvian vision. This House of Parliament of India must give an unambiguous message to the people of India and it is duty-bound not to muddle issues.

Nehru's vision gave no freedom to the economy or to the industry or to the entrepreneur. (*Interruptions*) It gave commanding heights of the economy to a corrupt and inefficient public sector and shackled its people to an unco-operative bureaucracy, instituting a system of patronage, benefiting a few. The unholy alliance that we often speak of between politics and industry, was, in fact, a result of this system of patronage. Were Pt. Nehru been alive today to witness the chaotic consequences of the licence raj, he would have himself dismantled this entire rotten structure. The path we are treading is of unambiguous rejection of the licence raj. There must be no doubt about this in the minds of everybody concerned.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): You can consult the notes. Their objection is that you are reading speech.

DR. JINENDRA KUMAR JAIN : Sir, I am not reading anything.

SHRI SURESH KALAMADI (Maharashtra) : Lay it on the Table of the House.

DR. JINENDRA KUMAR JAIN : I would also make a plea here to the Government Sir. Please trust our citizens. I am quite a travelled man. I have travelled in this country, and I have travelled many developed countries. One distinction I find between the value system of the Government of India and that of the other countries is that in

[Dr. Jinendra Kumar]

our country we practice a polity, a system of Government where everybody is a suspect and dishonest person unless and until he is proved otherwise. Why ? (Interruptions)

THE VICE - CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) : Address the Chair. Don't look that side.

DR. JINENDRA KUMAR JAIN : Sir, in the development countries the culture which leads them to prosperity is different. They trust their citizens.

SHRI GURUDAS DAS GUPTA (West Bengal) : We are discussing about industry, not culture.

DR. JINENDRA KUMAR JAIN : I want to make a plea to the Government that they should start trusting and honouring our people.

SHRI VISHVJIT P. SINGH : Now that he is speaking extempore, let him say what he likes. Don't interrupt him.

DR. JINENDRA KUMAR JAIN : Sir, the time has come to shift the emphasis from slogan-mongering and populism to recognising the contributions made by industrialists and entrepreneurs to our nation development, what Indian entrepreneurs have done to the building of modern India. No nation in the world can produce great artists if we do not honour our artists. Our nation cannot earn Nobel Prizes in Science and Technology unless we start honouring our scientists. Nor can it produce great warriors, if it insults its soldiers. Similarly, I want to make a plea here that the time has come to encourage, honour and respect the leaders of industry if you want the Indian industry to grow and flourish. In this country we do not see . . .

SHRI GURUDAS DAS GUPTA : That is why he has been brought to Parliament to honour the industrialists.

DR. JINENDRA KUMAR JAIN : Sir, there is a culture here in this place. The industrious people hard working people, people who have worked towards building a modern industrialised India, are not respected : they are suspected. The Government cannot paint everybody with the same brush. Can anybody deny what Jamshedji Tata, G.D. Birla, Gujar Mal Modi, TVS, Jamuna Lal Bajaj, J. K. Singhania and Ramkishan Dalmia and a galaxy of other Indian industrialists have done to build a modern India? But we have reserved all our honours for ourselves, for politicians or for people who belong to the entertainment world. Don't we have entrepreneurs in this country like Bulsara, Dhirubhai Ambani Srichand Hinduja, Vijay Mallaya, Goenkas and scores of others who have done so much for the national economy, for employment generation, for improving the quality of life of people.

SHRI YASHWANT SINHA : Sir, shall we avoid the names ? This is a very august House. I think we should avoid the names.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) : He is referring to the industrialists.

SHRI YASHWANT SINHA : Then a reference will come the other way also. If he is allowed to praise, we shall be able to criticise. Then the Chair cannot rule that these people are not present in the House and they should not be criticised.

DR. JINENDRA KUMAR JAIN : I was not referring to the persons, I was referring to a culture which is anti-industry, anti-industrialists, a wrong value, that you do not give honour and credit to the leaders of trade and industry in this country whom you want should complete in the international competitive environment. This attitude is a bottleneck in the growth of

industry. That was my point. The people do not matter. It is the principles and the values that matter. After all why are we reviewing our policies for our trade and industry? We are doing so because we have seen that those populist policies which we pursued for the last 40 years have brought us to a grinding halt. If we cannot be brave, if we do not have the courage and we get stuck at points which are minor, they will not benefit us. Do we not honour all kinds of people? If some people do not like a particular industrialist, it is all right. I do not hold any brief for anybody. The point that I wanted to make, I have made with your permission. The next point that I wish to make here is the guiding principles for integrating our India economy with the global market today. I welcome the declaration of the Government that they wish to liberate Indian industry. But, Sir, I see a wide gap between their stated intentions and their actions. I wish to put two concrete examples. They are not the exhaustive list of what I want to say. They are just illustrations to show what the Government says it wants to do and what it actually does. Before I go over to that I would again say that I agree with the concept that India should be integrated with the global economy. But in doing so we have to see that the benefits go to the Indian industry and not to the multi-nationals. The Government has permitted the multinational Companies an automatic investment up to 51 per cent. In certain sectors they have permitted even up to 100 per cent. But in the present list of arrangements, the MRTP and the Company Law Acts do not permit the Indian promoters to hold more than 40 per cent shares. Foreigners can have 51 per cent shares, but Indians can have not more than 40 per cent shares. Is this what the Government wishes to do? Secondly, the Government wants Indian entre-

preneurs to go and compete in the international market with the giants and the multi-nationals, but you have put shackles of FERA all around them. The Government is very stubborn. It does not want to relax FERA and yet it wants our entrepreneurs to compete in the international market. So, what I want to say is that there has got to be an integration in our thinking also. If you want the Indian industry to compete in the international market, remove these shackles. Liberation is not just a slogan, it is a theme and it has got to go into action all around.

I would like to say a few words here on the issue of multi-nationals versus the Indian industry, our attitude and policies that should be adopted towards the multi-nationals versus the Indian industry. It is imperative that the Indian businessmen and the Indian public sector are given a preferential treatment over the multi-nationals in the Indian market. They should be liberated from all controls, while the operations of multi-nationals are to be regulated in view of the larger national interests. I am opposed to the unrestricted and unregulated entry of multi-national in India. Why should the IMF compel the borrowers to call multi-nationals? Our foreign exchange problems will not be solved by the multi-nationals. They will be solved by our increased exports. What is the guarantee that the multi-nationals will export from India even if they keep 51 per cent equity holdings? Today Hindustan Levers have got 51 per cent foreign equity, but they do not export their toiletry. Their exports are a mere 4.5 per cent of their turnover. Let us face facts. The multinational corporations do not come for charity. They come for making profits, that too, much than the bank interest rates. The MNCs come to India, not to export but to

[Dr. Jinendra Kumar]

capture the Indian market. We must ensure that they come primarily as instruments of our exports but not to drain the Indian economy.

The Industrial Policy states that capital goods imports will be automatic without any scrutiny, if it is linked with foreign equity. Where is the guarantee that MNCs will not make India a dumping ground for their inefficient junk machinery and outdated technology?

I would like to say a few words on industrial licensing.

SHRI JAGESH DESAI (Maharashtra) : There is a list where 51 per cent of the industries are not covered.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR) : Please go ahead.

DR. JINENDRA KUMAR JAIN : I was trying to say about the industrial licensing policy. The Industrial Policy abolishes industrial licences for all industries excluding 18 broad areas. Where reasons related to security and strategic concerns are there, it is understandable. But every thing that is said there is not desirable.

Whenever there is a sugarcane season, the farmers are compelled to sell their produce at cheaper rates. Many a time, I have seen in Western Uttar Pradesh farmers burn their crops because there are no buyers. You can see the contradiction in the sugar policy. The sugarcane prices are coming down and the price of sugar are going up every time. It is because the sugar mills are not evenly placed. Let it be a free-for-all. People want to set up sugar mills in some areas. Let them do it. Why should the Government try to regulate it?

Similarly, what is the justification for retaining coal on the list of licensed industries? .. (*Interrup-*

tions) .. Do we have the courage to review the functioning of the coal industry? In spite of the monopoly that this public sector coal industry had, there have been huge losses. This is the appropriate time to consider loosening of the monopoly and allowing the private sector, at least, to operate the new coalmines.

Sir, one more disturbing entry on the list (Annexure II) is item No. 17—entertainment electronics. I would like to make a few points here. Yesterday was the industrial age. The Industrial Policy is talking of those machineries, those technologies which are the technologies of yesterday. Today, we are in the information age, whose tools are television, VCRs, computers and these kinds of things. The tools of information are the new blocks on which the new world polity is being built, and on which we have to build our new India. Here this important sector has been placed erroneously to mislead the House as entertainment. What is the difference in a VCR or in a television or in a computer whether it is used for entertainment or for information or education? The same knife is used many a time by Surgeons. The same knife is used by butchers. You don't say that you will regulate the knife. Let the Surgeons do it. Today the information age makes it mandatory for the Indians to take active part in the information revolution. We have missed the bus of the industrial revolution. At that time we were not a free country but today we are a free nation. Let us not miss the opportunity of joining the entry to the information age. All efforts of the Government to regulate those items are wrong because educational and information tools are also used in entertainment. I make a plea that they should liberalise these things. They should not in any way be detrimental to the growth of information age and information sector. Newsprint is another item that (*Interruptions*).

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): You have to complete now. (*Interruptions*). Your time is over. But you can finish in another five minutes.

DR. JINENDRA KUMAR JAIN: Newsprint is another item. The entire Fourth Estate is currently reeling under the impact of the errors of public sector bodies built upon the regime of newsprint shortages that have been imposed on the country for decades. In this situation, what can be the possible justification for placing a restriction on the newsprint industry? Does the Government have a vested interest in perpetrating this regime of shortages of newsprint?

SHRI JAGESH DESAI: It is so not only with regard to newsprint but with regard to paper also.

DR. JINENDRA KUMAR JAIN: If there is a shortage of newsprint and people are willing to produce it, give them freedom to produce newsprint. It is an item which is required. Let it be manufactured.

I would also like to make a few other points about the public sector. There are a number of items in the list of industries to be reserved for the public sector. It must be questioned. What is the rationale behind reserving the mining of iron ore, manganese, chromium, gypsum, sulphur, gold and diamond for the public sector? It is absurd that the railways are also reserved for the public sector. How about ports? Ports are not mentioned anywhere. Are you going in for privatisation of ports? If you are willing to consider ports for private management, why not allow part of the railways, new railways, certain parts of the railways for the private sector? Oil over the developed world, railways are being efficiently run by the private sector.

Also, the Government has come out with 20 per cent disinvestment to private citizens and other bodies. Why should you not raise it further? If you make 40 per cent, or even 49 per cent it will only give you more revenue and yet, the control of these sectors will obviously remain with the Government. I have said through a newspaper article that there should be a true public ownership of public sector enterprises. Today's ownership of the public sector is not the ownership of the public, but it is of an inefficient bureaucracy. I would like to avoid corruption. But, as you know, there is rampant corruption going on in the name of public control. Remove the shackles and let the citizens of this country participate in the industrialisation. And let them be nominated on the boards of public sector undertakings. Merely saying that they have shares is not enough. It should be mandatory that certain sections of the boards of managements of public sector companies should come from the citizens who have shareholdings.

Now, about the policy of no-exit. This is one of the most pressing problems not only for the public sector but for the private sector also. Delicensing and the near dismantling of the Monopolies and Restrictive Trade Practices regulations are going to substantially increase competition in both the public and the private sectors. Such competition would obviously penalise units with backward technology and uneconomic scales that have survived under the earlier regime. These two things cannot exist at the same time. There cannot be competition and no-exit at the same time. What will you do? You are making entry to a room free. Anybody can enter. But nobody can get out. How can you survive in such a room? Already it has become suffocating.

[Dr. Jinendra Kumar]

There are a number of reasons the hon. Industry Minister has listed in his speech why the public sector is not functioning. But he offers no remedy. If he says a unit has become sick because it has so many employees that it does not need, you cannot have a solution to the problem. So, silence of the Government on these vital issues amounts to evading the issue. Be brave. Confront the problems as they confront you or as they confront the industry or this nation. And have the courage to provide the solution. The time has come for this country to take a policy on exit, whether it is for the public sector or for the private sector. *(Interruptions).*

SHRI CHATURANAN MISHRA (Bihar): I would like to know from my friend as to what he means by the word exit—their exist from the country? Then in that event, where will they go?

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): Please conclude. The Minister has to make a statement and you have to conclude now.

DR. JINENDRA KUMAR JAIN: Sir, our party has always believed that there has to be such an Industrial Policy which creates labour intensive industries, which has emphasis on small scale sector, tiny sector, cottage industries and village industries. Where is the policy? There is no policy. Then I was told, wait, there will be another policy statement. Sir, don't we know that tomorrow is the last day and there is nothing on this agenda that another statement is coming? It only shows the low priority. *(Interruption).*

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI P. J. KURIEN): It has already been done today in this House.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): You may not be knowing it.

DR. JINENDRA KUMAR JAIN: But the point remains that the Government must talk of the promotion of industries in a way in which it talked of the promotion of the agricultural sector. We want industries. They are just not for the sake of industrialisation. We want them to find jobs for the people. But where is the possibility of creating more jobs through such a policy that has been presented before both the Houses of Parliament by the Government? We must insist on a policy which will create jobs and increase employment.

I would also like to say that after all the Industrial Policy is not implemented by the Central Government alone. The Central Government has to implement the Industrial Policy in consultation with, in collaboration with and with the assistance of the State Governments. I would like to ask the hon. Minister of Industry what is the mechanism that he has set up to consult the State Governments. Here is the Ministry of Industry which functions and makes the Industrial Policy. But I think, Sir, this House the Council of States should give a directive to the Minister of Industry to consult the States because it is necessary not only in the implementation of the policy but otherwise also. If they can suggest ways and means of doing this work, that will be good for everybody. I wanted to say a few more things but *... (Interruption).*

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): There is no time.

DR. JINENDRA KUMAR JAIN: I, being a disciplined Member of this House, will obey your verdict, Sir, and resume my seat. Thank you.

THE VICE-CHAIRMAN (SHRI BHASKAR ANNAJI MASODKAR): I would have called another Member but I think, we will take up the statement of the Minister. We will again take up this subject tomorrow. After the statement, we can take up Half-an-Hour discussion and finish that.

STATEMENT BY MANAGEMENT

Recent Discoveries Of Oil And Gas By ONGC

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI B. SHANKARANAND) : Sir, I have great pleasure in informing the House of some recent discoveries of oil and gas by ONGC. Oil has been struck in the exploratory well, RBC-1, in the Ratnagiri Sector of Bombay offshore. The well is located 100 km. southwest of Bombay.

The exploratory well, RBC-1, located in a water depth of 61 m was spudded on 28-4-1991 with the jack up rig, EXPLORER and drilled upto 3425.5 m depth in basement. Object-III tested in the interval of 1990-91 m has produced oil at 1684 barrels per day through 1/2" choke and at 2177 barrels per day through 5/8" choke. The oil has an API gravity of 42.7 and a GOR of 114 V/V. The Hydrogen Sulphide (H_2S) content varies from 12000 to 19000 ppm. production testing of the zone started on 29-7-1991. The producing interval forms the lower part of the Bassein Limestone which is the main oil and gas bearing zone in Heera, panna, Ratna, Bassein and other fields in Bombay offshore. Oil indications have been obtained in some other layers also from this well.

The presence of oil in the well RBC-1, which is 2.5 km. north of oil bearing structure R-13, indicates the possibility that these two structures may merge into a bigger

oil pool with an aerial extent of the order of 20 sq. km. This is to be ascertained by drilling a few more wells.

I would also like to inform the House that Gas has been discovered in two structures in the Krishna-Godavari Basin in Andhra Pradesh. Exploratory wells at Penumadam and Banda-Murlanka have on testing produced gas in commercial quantities.

Penumadam-I well situated 18 kms. North East of Narasapur Town, was spudded on 26-2-1991 and drilled to a depth of 3000 mtrs. During testing the intervals of 2477-2471 mtrs. and 2466-2462 mtrs. with 20/64" choke, gas flowed at the rate of 2,13,348 m³/day. The well also produced 54 barrels of condensate per day.

The Banda-murlanka N-1 well lies 10 kms. south of Amalapuram. This well was spudded on 14-12-1990 and was drilled to a depth of 3531 mtrs. During testing in the interval of 3138—3135 mtrs. with 10/64" choke, gas flowed at the rate of 27,036 m³/day. The well also produced 203 barrels of condensate per day.

In both wells, further, testing is in progress to ascertain other reservoir characteristics.

SHRI GURUDAS DAS GUPTA (West Bengal) : Sir, this is very good news that we have been able to find sources of oil and gas in some parts of the country because that will enable us to increase our production and that at the same time will enable us to curtail our spending of hard currency. It will also make us a little more self-reliant than what we had been in the past. At least another dose of devaluation may not be necessary because we will have enough reserve or enough source of oil and we will have to spend much less of foreign exchange. While complimenting ONGC for the hard work they have done in