

**MOTION RE THE ANNUAL REPORT
ON THE WORKING OF THE
INDUSTRIAL AND COMMERCIAL
UNDERTAKINGS OF THE CEN-
TRAL GOVERNMENT FOR THE
YEAR 1962-63**

THE VICE-CHAIRMAN (SHRI M P BHARGAVA) We will now take up Mr Manis motion I might tell hon. Members that there is a large list of speakers I would request hon. Members except the Mover to limit their remarks to ten minutes

SHRI A D MANI (Madhya Pradesh) Sir, I beg to move the following Motion

That the Annual Report on the working of the Industrial and Commercial Undertakings of the Central Government for the year 1962-63, laid on the Table of the Rajya Sabha on the 10th March, 1964, be taken into consideration"

Sir, this report has been discussed every year and it is the misfortune of this House that on an occasion like this debate Government is represented only by a representative of the Ministry of Finance I expect that when this report is discussed the representatives of the various Ministries which are running the public sector undertakings would be present to answer criticisms of individual public undertakings if they are made on the floor of the House I am sorry that the Report which has been laid on the Table of the House does not contain what I may call vital information for a proper understanding of the working of the public sector plants In future, I hope that the Government would include in the Report variations from targets and project estimates which have occurred in the various public sector plants, how much of foreign exchange has been ploughed into all the public sector plants, how much of the indigenous machinery is being

fabricated for replacing the old machinery which might have been imported or set up with foreign collaboration or by payment outright out of our foreign exchange resources and what is the strength of the labour force employed in the various plants

3 P M

Sir I may mention here that on page 4 of this Report, Government have, as usual, split the undertakings into four categories—undertakings under construction, running concerns—Hindustan Steel Ltd, running concerns—other than Hindustan Steel Ltd, and promotional and developmental undertakings The average dividend which is now available on the so-called running concerns is about 7 per cent But Rs 600 crores out of Rs 1300 crores which are now invested in public sector undertakings do not get any measure of profit It will be seen therefore that on a total investment of Rs 1,372 crores, there is hardly any worthwhile return on the money invested This has been the usual line of criticism which has been offered of the public sector plants in the past Sir, I would like to say that in regard to the accounts of the various undertakings which are included in the Report, we are not able to get a clear picture of the profitability of these concerns I would like to make a suggestion that as Government want to expand the capital investment in public sector undertakings to Rs 2,000 crores by the end of the Third Plan, they should, at least to the extent of 25 per cent of the capital employed in the public sector undertakings, invite public participation in the capital of these undertakings This is one of the recommendations made by the Estimates Committee If public participation is available in the working of public undertakings, there would be a more searching scrutiny of the accounts presented by the various companies Sir, I have before me an example of the confusion that exists

in public mind about the profitability of the undertakings. According to the Ninth Annual Report and Balance Sheet of the Ashoka Hotels Limited, it has made as much as Rs 36 lakhs profit during the year ended, for which accounts are available. Sir, if the House is pleased to scrutinise the Balance Sheet of this company, it will find that as much as Rs 9 lakhs worth of crockery is shown as current asset. I have been informed on fairly reliable authority that even if crockery is imported for a hotel of the size of the Ashoka Hotels, not more than Rs 3 lakhs worth of crockery would be needed. But yet, Rs 9 lakhs worth of crockery has been shown as stock-on-hand at the Ashoka Hotels. Further I am told

PANDIT S S N TANKHA (Uttar Pradesh) Does the hon Member mean to say that the accounts are fictitious?

SHRI A D MANI I am only saying this. This has been certified by the management, this has not been physically verified by the auditors. I have also checked up that fact, it has not been verified by the auditors. It has been done only on the basis of the certificate filed by the management.

Further, I am told that in the case of the Ashoka Hotels, Government pay a special rate for dinners organised by them in honour of foreign visitors and that these dinners are available at the rate of Rs 18 to Rs 25. It is not the usual rate generally applicable to commercial traffic in this hotel. I would like the Minister to throw some light on these allegations which are made in regard to the accuracy of this Balance Sheet.

SHRI M RUTHNASWAMY (Madras) Rupees Twentyfive a dinner?

SHRI A D MANI Rupees eighteen to rupees twentyfive.

I am further told that certain Ministries have rooms reserved by them in the hotel for accommodating their guests. How far Governmental

venues have gone to support the Ashoka Hotels is a matter which has got to be considered. But this point I am raising and I do hope that the Minister, when he replies, would answer the doubts that I have raised regarding the accuracy of some of these Balance Sheets.

Sir, I would like to go on to the single largest undertaking, Hindustan Steel, in which as many as Rs 724 crores are invested. It is well known that the original estimate was Rs 353 crores. Now, I would like to ask the Minister how far we have been able to fabricate steel in our plants at prices which will compare favourably with the imported price, because

when this project was started it was expected that the steel available in these plants would be available for export in order to enable us to earn foreign exchange. The Rourkela Plant suffers from a very heavy capital base and in spite of the fact that the plant has the latest LD Process and has a fast modern, continuous Strip Mill, it is not able to fabricate steel which would compare with the imported steel in price. If an industry is going to be developed, the prices have got to be severely controlled in these undertakings and particularly in the steel undertakings which constitute our heaviest investment of capital.

Sir, further I would like to ask how far we have been able to train Indian personnel for running these Indian steel plants. I know that the Bhilai Steel Plant is doing extremely well and the Russians have shown great eagerness to see that Indian technicians are trained to take their place. But I am not sure about Rourkela. There, I believe, for a long time to come we may have to depend on German engineers for running the complicated machinery that has been set up and for processing steel through the LD process. I understand that there are about ten American experts who are employed in the Rourkela Plant. There are as many as 150 Russians still working at

[Shri A. D. Mani.]

Bhilai. I would like the Minister to give us some information about the number of foreign technical personnel who are working in these two plants.

Sir, I would like to make a second point and that is, the complaint is widespread that there is heavy over-staffing in almost all our public sector undertakings. The Minister of Steel speaking last year in the other House said as follows:—

“Excessive man-power besets many of our public sector plants. This is particularly true at Sindri, one of our older enterprises. Unemployment we have, but to load any given plant with excess man-power is not the way to deal with it. In both steel and fertiliser, our manning per ton product is several times more than in comparable operations abroad. To contend that Indian conditions require this overmanning is wrong.”

I am not quoting any Opposition critic of the public sector undertakings, I am quoting the Minister of Steel, from a statement he made in the other House. Sir, according to my information, there are as many as 3,500 stenographers and as many as 13,300 peons and chaprasis in the public sector undertakings. Is it necessary for these public sector undertakings to have so much of staff? I am told that the Hindustan Antibiotics could be run with a much smaller staff than it is employing at present. The Glaxo Laboratories in Bombay are able to compete with the best modern drug industry by employing a smaller number of members of staff. The question of overstaffing of these plants and public sector undertakings requires the urgent consideration of Government. I know that there is a Parliamentary Committee which is at work, which supervises the working of these public sector undertakings but this Parliamentary Committee, with due respect to the members who may be on it, may not have the time to go into the

matter in great detail. I would like to make a positive suggestion that Government should appoint a Committee consisting of representatives of the Ministries concerned and some persons from private industry who have some knowledge of the working conditions in similar plants, and I am sure that if an appeal is made by Government to the private sector to co-operate in this matter, it may find some representatives who may be willing to be associated with Government to conduct an enquiry into the question of overstaffing in our public sector undertakings.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Mr. Mani, is it not prejudging the issue? The Committee has been appointed only this year and without knowing how it is working you are saying all this.

SHRI A. D. MANI: Sir, I am thankful to you for asking me to clarify that point. The Committee on public sector undertakings is not meant to be a managerial inquisition. Its duty is to examine the working of these plants and to make general recommendations. But whether in a particular department so many technicians are required, so many helpers are required, so many stenographers are required is a matter for the industry to decide. However competent that Committee may be . . .

SHRI AKBAR ALI KHAN (Andhra Pradesh): But that is all in its scope. They will have to consider whether they are overstaffed or under-staffed.

SHRI A. D. MANI: They can give broad guide lines but the work of assessing the staff requirements in every unit has got to be done by an expert body by those people who are engaged in the industry.

Sir, the third point that I would like to make is that there are uneconomic units which may have to be given up. Uneconomic units which are not serving the purpose for which they have been set up might be given

up in favour of the private sector if it is necessary. Take for example the Nahan Foundry. There is a historical basis for our taking over the Nahan Foundry. But the Foundry has been continuously running at a loss. The products of this Foundry have to be transported to Ambala. The annual production is Rs. 22 lakhs against a capital of Rs. 40 lakhs.

The case of the National Buildings Corporation also may be considered. The business has expanded to Rs. 3.52 crores compared to Rs. 1.08 crores of the previous year, but the concern is running at a loss. I may mention that this National Buildings Corporation deals with the construction trade. They accept contracts for the construction of buildings. This is a matter where the public sector may well leave it to the private sector. The question of finding labour for constructing buildings and so on may be left to the private sector which has got the necessary experience. In spite of an increase in the business of the National Buildings Corporation it is running at a loss.

Sir, the third thing about which I would like to mention is the Nepa Newsprint Mills. The newspapers of the country have been suffering on account of production of newsprint in the Nepa Mills which are valued at a higher price than the imported newsprint. The Nepa Newsprint Mills had a number of difficulties in regard to the securing of raw materials for production. In spite of its installed capacity being 30,480 tonnes, the capacity that was utilised in 1962-63 was 26,515 tonnes. The Nepa mills has often come in for severe criticism, and it is worthwhile for the Government to examine the question of handing over this plant to private industry for the manufacture of white printing paper and not newsprint for which these mills are not suited.

Sir, the fourth question I would like to take up is the question of the

fixation of salaries in these public sector units. The Estimates Committee has gone into this matter in the past and has recommended that the socialistic pattern of society must be kept in view in the fixation of salaries. Sir, I have nothing to say against the pattern of society which the country has set before itself. But the fact remains that on account of higher salaries offered by the private sector talent is fleeing from the public units to the private sector. This has been one of the problems which was discussed at the Seminar on the problems of private and public industrial undertakings organised by the Federation of Indian Chambers of Commerce and Industry in Delhi in which Mr. C. Subramaniam took part and in which Mr. L. K. Jha also took part and addressed the Seminar on problems of financial operations.

Sir, I feel that if these public sector undertakings are to have a bright future, it is necessary to build up a strong managerial cadre which will be available for manning the public sector undertakings in the years to come. It has been said that in the case of American financial corporations there is a Managerial Class in existence in the United States where the sons of executive of corporations find a place as executives in some other corporations with which their fathers are not connected and the talent, more or less is hereditary. They have brought into existence a new managerial class in the United States. Such a managerial class is also available now in Great Britain which is one of the reasons why the Labour Party has not gone full speed with its programme of nationalisation.

Sir, if we are to maintain a highly competent managerial cadre, it may be necessary for us to pay salaries to these people in the public sector which the private sector pays, a large portion of which goes back to the Government by way of income-tax. We should not be ridden by doctrinaire

[SHRI A D MANI.]

considerations by saying that the manager of a public sector plant should not get more salary than a Secretary of a Government Ministry

Further, it is not proper to think in terms of an all-public sector undertakings managerial cadre. This is a problem which engaged the attention of the Estimates Committee. The Estimates Committee suggested that such a cadre should be formed. With due respect to the members of the Estimates Committee, I feel that the suggestion is not likely to work and what we should try to see is that every public sector plant does have a managerial cadre. It should be manned by people who have given 30 to 35 years of their time to the working and the success of the public sector plants.

Sir, I would also like to say that the future of these public sector undertaking plants depends largely on the kind of management that they have. In spite of the desire of the Government to give autonomy to all these public sector undertakings and to give them a considerable measure of initiative, there are allegations that these public sector plants are being run more or less as Government departments. Prof Edward S Mason, who was the Dean of the Harvard School of Business Management had these things to say about our public sector plants and their personnel—

"The salary paid to the General Manager in a public sector plant, is a salary designed to show that nobody who ever had any business experience either in that industry or in other industries could accept such a job. Furthermore, I have the impression that the General Manager is hemmed around by restrictions of all sorts, emanating from the Secretariat, from his own Ministry, from the fact that the Ministry of Finance has always a man on the Board who is not there to help the General Manager, but frequently to get in his way, by reason of the fact

that auditors swarm all over the place, pre-auditing, post-auditing and apparently these chaps think that it is part of their responsibility to question managerial decisions that they should have nothing to do with."

These are the statements made, not in a press interview, but in a seminar organised by the Federation of Indian chambers of Commerce and Industry and Prof Mason was invited to take part in this Seminar.

SHRI ARJUN ARORA (Uttar Pradesh) I hope the hon Member does not forget the attitude of the Federation of the Indian Chambers of Commerce and Industry to the public sector as such. Probably they deliberately collected the desirable type of participants.

SHRI A. D. MANI: My time is limited. I will give a copy of this volume to my hon. friend. This Seminar was organised with governmental co-operation and a number of government spokesmen took part in the proceedings and Prof Mason was asked to give his impressions as an outsider who has seen the working of the Indian public sector units. It is not as if something was organised to see that the public sector is run down but this was done with governmental co-operation.

SHRI ARJUN ARORA: Unfortunately the Government sometimes co-operates in some wrong things.

SHRI A D MANI: Whatever it is, let me go on to the other point. Sir, if these undertakings are to prosper, we ought to allow the people who are in charge of the principal departments in each undertaking to occupy the position of directors. There is no point in getting somebody from the Ministry to sit on the directorate when the person who is got to the job is working in the units itself. I would like the departmental heads to become directors of these units and re-

present government on the directorate, and I hope by giving greater initiative to departmental heads to serve on the directorates the public sector undertakings would be in a position to give a better account of themselves than they have done in the past

Sir, there is one more suggestion I would like to make. That is that there should be frequent transfers of officers of these public sector undertakings to private sector undertakings on deputation for purposes of training and for purposes of observation. It is possible that if the Government makes an appeal to the private sector, they might allow some of these officers to work for periods of three to six months in the private sector undertakings so that they may benefit by observing the manner in which private sector undertakings are conducted.

I would like to go on to another aspect of the matter and that is, the enforcement of labour laws in the public sector undertakings. One of the grounds on which the creation of the public sector had been sought to be defended in the past was the fact that the private sector was not looking after labour properly and that the public sector plants would be in a position to safeguard the interest of the workers. The Government of India got a shock when the bank employees met the other day in Bombay to pass a resolution protesting against nationalisation of banks on the ground that in the public sector undertakings labour is not being treated properly.

SHRI ARJUN ARORA: The hon Member is misinformed. The bank employees in general are in favour of nationalisation of banks. It was some interested people who in Bombay, got some Reserve Bank employees to pass that resolution at a meeting not constitutionally valid, according to the constitution of the Reserve Bank Employees Association. If the matter is left to the bank employees, the banks will be nationalised tomorrow morning.

SHRI A. D. MANI: The fact that even some people protested—even on the basis of what Mr Arora says—shows that there is a feeling that the public sector plants are not looking after labour properly. I would give some details. Standing Orders have not been framed in the D.V.C. and in seven other undertakings. Grievance procedure in 28 undertakings including the Hindustan Antibiotics has not been defined. There has been bad labour relationship in the Heavy Electricals at Bhopal. While the Ashoka Hotel makes provision for gratuity, gratuity is not conceded in other public sector undertakings and it has been reported that there has been as many as 43 violations of the labour laws in Rourkela. I would like to know whether the time has not come for the Government of India to have a Central Labour law which will be applicable to the public sector undertakings and that the public sector would certainly give a better account of itself in regard to the observance of labour laws than it has so far done. There is at the moment a dispute going on in the Indian Telephone Industries in Bangalore. Telegrams have been received by many of us questioning the statement made by the Government on the floor of the Parliament. If the labour in these undertakings is dissatisfied then it knocks out the justification that we have for expanding the public sector. The Government should become a better employer. I would like the Minister to tell us whether the pricing policy of these public sector undertakings is going to undergo a revision on account of the Bonus Commission recommendations. The Planning Commission had said in the past that profits of the public sector undertakings would be ploughed back for the expansion of the public sector. If the profits have got to be divided in the ratio of 60:40, the consumer has got a right to expect that the pricing policy of these public sector units would be modified. We would as far as possible, like the Government not to look forward to any

[Shri A. D. Mani.]

return excepting 8 per cent. on capital employed and 6 per cent. on working capital from these public sector undertakings. The consumer has a right to get relief from the Government. With these words I have pleasure in initiating the discussion on this report.

The question was proposed.

SHRI ARJUN ARORA: Mr. Vice-Chairman Sir, I am glad that the Ministry agrees to the discussion of this report and thus enables this House to look into the working of the public sector industries at least once every year. My friend, Mr. Mani, is a great protagonist of the private sector.

SHRI A. D. MANI: No, moderately.

SHRI ARJUN ARORA: He is a moderate but the type of moderates that he once represented has fast disappeared in the country and we now find him generally, on economic issues, following the policy which Prof. Ruthnaswamy puts forth with greater ability and greater confidence. The public sector in the country is growing and this report itself indicates the growth when it says that employment in the public sector industries increased by 12 per cent. during the year under review. Great claims are made by the private sector as far as efficient management, etc. is concerned, though we find that efficiency is reflected more in tax evasion than in expansion. I do not know if any protagonist of the private sector claims that established industries during the year increased their employment by 12 per cent. or so. The unfortunate development is that in the private sector industry to-day, the number of employees is going down whereas production continues to increase.

SHRI C. D. PANDE (Uttar Pradesh): That is a very good sign.

SHRI ARJUN ARORA: That is not a good sign at all. That means that the rate of exploitation of labour is intensified.

SHRI C. D. PANDE: It is more efficient.

SHRI ARJUN ARORA: Greater exploitation of labour is forced.

SHRI C. D. PANDE: If there is a constant number of hours allowed by the legislation, if they work under that frame of rules, where is the exploitation there?

SHRI ARJUN ARORA: I am afraid Mr. Pande has not seen industries working. It is not the number of hours which determines the rate of exploitation of labour. It is the speed at which machines are run and in a factory it is the speed of the machine which determines the speed at which the man will have to work and the fact is that the speed of running the machines has been increased in the private sector whereas in the public sector we find such growth that at least during this year 12 per cent. more labour is employed. The public sector industries are not very well known for their treatment of labour and I agree with the criticism that Mr. Mani has made in this respect. Those of us who believed that the public sector would be model employers are sadly disillusioned but there are certain things which the public sector does for labour which must be enumerated along with the criticism which my friend, Mr. Mani, has made. In the matter of housing for example, the public sector is a superb employer. As a matter of fact because of their interest in housing, the investment in the public sector increases. When Mr. Mani and others repeatedly mention the low rate of return in the public sector, they forget that in the public sector the investment is not only in plant and factory buildings but a major portion of the investment in the public sector is on labour housing on which no return is possible. Labour housing, all over the world, is considered uneconomic.

SHRI P. K. KUMARAN (Andhra Pradesh): What about the rent collected?

SHRI ARJUN ARORA: They collect rents which are not economic rents. A trade unionist like Mr. Kumaran should know that. Public sector must be given due credit in the matter of housing.

SHRI C. D. PANDE: Mr. Vice-Chairman, just for the sake of an example . . .

SHRI ARJUN ARORA: Mr. C. D. Pande may make his speech. I do not yield to his interruptions.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): Let him continue. He has only ten minutes to himself. Please go on, Mr. Arora.

SHRI ARJUN ARORA: Out of the ten, three have been taken by Mr. C. D. Pande.

Then there are the services benefiting to industries as such, which the public sector industries are making available, and that is in the training of technical personnel. A very good thing that the public sector has developed is that, wherever they open a big plant or they propose to open a big plant, they open institutes for training of technical personnel. And this report says that the expenditure on these training institutes is considerable. That alone is a substantial contribution not only to the public sector but to the industry as such, because one of the things which restricts the growth of industry in the country today is the lack of trained personnel. That way the public sector is making a substantial contribution.

Then, of course it is correct that in the public sector the bureaucrats who manage it do not observe labour laws, and because of the bureaucratic biradari who is in charge of enforcement of labour laws there are not as many prosecutions for violation of labour laws in the public sector as they are in the private sector. But then it remains to be noticed that the

educational facilities and medical benefits available to employees in the public sector are many times greater than what the private sector affords. I am sorry to find that there is a widespread neglect in the observance of labour laws in the public sector. That is something which the Government must look into, and if the Government have the faintest idea of becoming model employers, they must see to it that the labour laws enacted by this Government are observed in their entirety in letter and spirit in all the public sector undertakings.

The Ministry of Labour has for some years been trying a scheme, an experiment of workers' participation in management. I do not know why that idea accepted by the Ministry of Labour as early as 1957 is not universally applied in all the public sector undertakings. The idea has only been applied in some public sector undertakings as in some private sector undertakings. Now the idea was applied as an experiment seven years back. If the Government are satisfied, if the Ministry of Labour is satisfied that the idea is good for the country, is good for the growth of industry in the country, the idea of workers' participation in management must be applied in all the industries of the public sector and the workers given a sense of participation in management. When they want certain rights, they are told, "Oh, these industries are run with a social purpose." But in the case of management, Mr. Mani correctly pointed out that somebody from the Ministry, whether well equipped or ill equipped to manage an industry, is made the boss of it. We know that workers' management has been a wonderful success in countries like Yugoslavia, and if we have accepted a part of that idea, workers' participation in certain aspects of management, why should not that be made the rule in the public sector undertakings? Government once thought of the idea of trying it in both the public and private sectors. The hon. Member, Mr. Mani,

[Shri Arjun Arora.]
has quoted from something which
some American unknown in this coun-
try said . . .

SHRI A. D. MANI: Well known.

SHRI ARJUN ARORA: . . . at a
seminar organised by the F. I. C. C. I.
which is the biggest organisation of
the private sector, that American
gentleman said that the salaries in the
public sector do not draw talented
people from going to the private sec-
tor. Mr. Mani appears to forget that
some years back Government formed
. . . (Time bell rings.)

A few more minutes, Sir.

شہر عبدالغنی -- (پنجاب):
کچھ ایسی باتوں کا بھی جواب
دے دیجئے۔۔۔ میں صاحب نے کہا
ہے کہ فائدہ کم ہے اس کا بھی جواب
دے دیجئے۔

†[श्री अब्दुल गनी : (पंजाब) : कुछ
उनकी बातों का भी जवाब दे दीजिए।
मणि साहब ने कहा है कि फायदा कम है,
इसका भी जवाब दे दीजिए।]

श्री अर्जुन अरोड़ा : आप बैठ जाइये।
मैं मणि साहब की सब बातों का भी जवाब
दूंगा और जो आप कहने वाले हैं उनका भी
जवाब दूंगा। अभी आप बैठ जाइये।

Mr. Mani seems to forget that some
years back Government formed a
management pool, and there was a
rush of people employed in the pri-
vate sector wanting to join that
management pool. As a matter of
fact the management personnel in
the country today complain that the
idea of management pool has not
been followed to its logical end and
the recruitment to it has stopped.
There are, of course, limitations to
the payments, to amenities and per-
quisites which the public sector
can afford. There is—everybody knows

—a great deal of waste in the private
sector. There are no limits to the sala-
ries of the select few. There are no
limits to the perquisites allowed to
them. There are no limits to the ame-
nities allowed to the select few in
the private sector. I do not think a
serious Member of the Rajya Sabha
like Mr. A. D. Mani will want the
public sector to copy the private sec-
tor in the matter of payment and
provision of amenities to the mana-
gement personnel.

THE VICE-CHAIRMAN (SHRI M. P.
BHARGAVA): It is time to wind up,
Mr. Arora.

SHRI ARJUN ARORA: The fact is
that in spite of the low wages, low
salaries for the management person-
nel in the public sector there are
enough patriotic and efficient people
willing to join the public sector and
leave the private sector. I am sorry,
Mr. Vice-Chairman, I do not have the
time to deal with the objections of
Mr. Ghani.

شہر عبدالغنی : میں نے تو باتوں
کے لئے کہا تھا کہ اس کا آپ جواب
دے دیں۔

†[श्री अब्दुल गनी : मैंने तो उन की
बातों के लिए कहा था कि इस का भी
जवाब दे दें।]

SHRI M. RUTHNASWAMY (Mad-
ras): Mr. Vice-Chairman, we must
thank Mr. Mani for giving the House
this opportunity of studying and com-
menting upon the achievements of
Government enterprises in the year
1962-63. There are three kinds of
undertakings, 10 under 'construction'
—some of them date from 1956; the
latest began in 1961. The second class
of undertakings are running ones,
which are 29 plus 1 in number—the
one being the Hindustan Steel Limit-
ed which stands in a class by itself
according to the report. A third class

of undertakings are promotional and development undertakings. One striking feature of all these running concerns is the low profits achieved by them. It is barely 10 per cent or even less in regard to the majority of the running concerns. We cannot run away with the idea that profits are not relevant to these undertakings, because these are not public utility undertakings like the Railways. They are business undertakings for doing and producing things, like the production of steel, the production of fertilisers, the production of lignite, coal and so on. So profits are an essential criterion by which we must judge the efficiency of these undertakings.

Then again, sales are another criterion. We are told that there has been an increase of about 37 per cent over the previous year in this respect. The question may be asked, whether the whole of the produce of that year has been sold during that year and what proportion of that production has been left unsold. That is a question relevant to our judgment on the efficiency of these concerns.

Another criterion is the extent of employment afforded by these public undertakings. The total given in this Report is that, that the total number employed is 2,99,248, and this employment total is reached after an expenditure of Rs 1,372 crores. If this sum of Rs 1,372 crores had been spent on small undertakings, small enterprises like the building of village roads, or the sinking of village wells, or on rural reconstruction or on a number of small rural industries, millions would have been employed in contrast to a few hundred thousands that have been employed by these public undertakings.

There is a curious class of undertakings dealt with in this Report, eleven undertakings, where the Central Government has just invested money, without being responsible for the running of these undertakings.

We should like to know what control the Central Government has over these undertakings in which it has sunk money. Has it any right of inspection? Has it any right of audit over their accounts? Has it the right of periodically surveying the course of these undertakings?

No wonder the Report says that the Hindustan Steel Limited is a class by itself, because we find it has incurred a loss of Rs 23.9 crores as compared to the loss of Rs 16 crores in the previous year. There are certain questions that might be asked of Government and of the organizers of these undertakings or of those responsible for the undertakings, questions which have been suggested to me by reading Mr Herbert Morrison's remarks on the running of such undertakings in England. Mr Herbert Morrison, the House will remember, was a well-known Labour Minister. After retirement he wrote a book "Government in Parliament" which he suggested was an account of the running of government departments from the inside, and he was a socialist. One of the questions that he asks is: Are these undertakings consumer conscious? How far do these undertakings consult the taste, the needs and the wants of the consumers? Or do they, like most public undertakings say, "These are the goods we produce. You take them or leave them." It may be with regard to steel, or Neyveli Lignite or fertilisers or any other goods or commodity produced by these public undertakings. The question that must be asked of them is—and it must be asked of every undertaking, whether it be in the private sector or in the public sector—how far do these cater to the taste, to the needs and to the wants of the consumers? Has any attempt been made in any of these undertakings by those responsible for these undertakings, to study, to find out the wants and the tastes of the consumers? Another question that Mr Herbert Morrison says should be asked is, are they efficiently and economically managed? Not managed

[Shri M. Ruthnaswamy.]
anyhow, not managed so as to produce 10 per cent. and at a lower rate of profit but are they economically and efficiently managed? And in this connection he says we need not rely on the reports of accountants and auditors, because accountants and auditors have to deal only with certain matters, namely, whether the money provided for has been spent for the purpose for which it was provided, not whether the concern has been run efficiently or economically. And therefore, he suggests that these public undertakings should enlist the services of industrial consultants. There are industrial consultants and that class is springing up in India also, in Bombay and Calcutta. One of them was consulted by the Government itself with regard to the setting up of the Bokaro steel plant—a very expensive consultant, by the way. But there is this class rising up in India and more and more public undertakings must take in the services of these independent industrial consultants who could bring an independent look to bear upon these public undertakings.

This morning during the Question Hour, we were acquainted with the proposal to set up a Bureau of Public Enterprises. But this suffers from two disadvantages. One is that it is a "bureau" which means a committee and committees may be composed of people who may work at cross purposes. And also we do not know how this Bureau of Public Enterprises is going to be constituted, whether it is going to consist of officials or of officials and men in business, or is to be composed wholly of businessmen? Much more efficient than the Bureau of Public Enterprises would be industrial consultants already in practice, already conversant with the running of a business concern, the running of business concerns from the standpoint of efficiency and economy. (Time bell). So although these public undertakings have something to show in this Report, I think they will do

much better if it is decided to run them purely as business undertakings and with all the help that business and industry and industrial organisations can afford them.

SHRI J. S. PILLAI (Madras): Mr. Vice-Chairman, let me at the very outset assure the House that I will not take more than half the time which each Member is allotted now. My object in intervening in this debate is to emphasise one point, the point relating to recruitment to these undertakings. As you know, Mr. Vice-Chairman, these undertakings are growing every day and if you add up all these undertakings, you will find that there are more employees in these than even under the Central Government. There is a lot of scandal about the way in which people are recruited to these undertakings. People say that the managers of these undertakings recruit the employees, and they say that provincialism and casteism play a very important part in the matter of employment in these undertakings. I am not here to vouchsafe all these statements. But the other day I was coming in a bus and one passenger said if a South Indian was the manager, then he would recruit only South Indians. At this another said, "No, if the manager is a North Indian, then he will recruit only North Indians" and so there was a quarrel between these two persons. So, in order to avoid all these scandals it is better we entrust the recruitment to these undertakings to the Service Commission. The framers of the Constitution had anticipated this kind of thing and had provided for this contingency. Article 320, dealing with the Central and State Public Service Commissions, enumerates the functions to be performed by them and says,

" . . . It shall be the duty of a Public Service Commission to advise on any matter so referred to them and on any other matter which the President, or, as the case may be,

the Governor of the State, may refer to them."

We can safely entrust this job to them. If the Government of India is not willing to entrust this work to them then it can have a separate organisation like the Railway Service Commission to deal exclusively with recruitment to these public sector undertakings. In the Government of India today, promotions, etc. are done by the Public Service Commission and in respect of the Public Sector undertakings also, this can be done by them.

I have nothing more to say. Thank you.

PROF. M. B. LAL (Uttar Pradesh): Mr. Vice-Chairman, I agree with my hon. friend, Mr. Arora, that the working of industrial and commercial undertakings that are being managed by the Central Government requires critical appreciation. Both appreciation and criticism are needed. If we lay stress only on the shortfalls of the public sector industrial and commercial undertakings and do not take into consideration what has actually been achieved by them, what they are contributing to the industrial and economic development of the country, we will not be doing justice to them nor will we be just to our national economy itself. If we study carefully the report for the years 1961-62 and 1962-63, we will notice that some progress is recorded in one year. For example, in respect of Hindustan Steels, the loss amounted to Rs. 19.5 crores in 1961-62, if the money required for the payment of interest is not taken into account. In the year 1962-63, the loss amounted only to Rs. 6.5 crores if the payment of interest is not taken into account. In the case of other concerns also, there is an increase in profits. In terms of percentage of paid-up capital, profits increased from 4.5 in 1961-62 to 7.6 in 1962-63. The excess of income over expenditure in regard to promotional and development concerns varied from year to year. It was Rs. 11 lakhs in 1960-61,

it went down to Rs. 2 lakhs in 1961-62 and rose to Rs. 7 lakhs in 1962-63. The report for 1962-63 also reports certain decrease in profits in case of nine concerns. While perhaps we were running our undertakings better in the year 1962-63 than we were running them in the year 1961-62, considerable attention still requires to be paid in many matters. The Mid-term Appraisal of the Planning Commission reports considerable shortfalls in the sphere of public sector undertakings. It also reports certain shortfalls in the sphere of private undertakings. In some cases like fertilisers there is a greater shortfall in the private sector than in the public sector. In certain other industries such as coal there will be a shortfall in the public sector while the private sector is likely to fulfil the targets laid down in the Plan. Sir, attention is invited to certain shortfalls of the public sector undertakings and an attempt is made by protagonists of individualism that we are proceeding with the advancement of the public sector undertakings rather very rapidly. But I wish to point out that a great many public sector undertakings only provide the infrastructure which is absolutely necessary for the economic development of the country and which cannot be provided by Indian capitalists because the business is not a profitable one. So, whether one is a socialist or one is not a socialist, one cannot really do away with the public sector undertakings because without the infrastructure that is being provided by the public sector undertakings the economic development would not be possible.

[THE DEPUTY CHAIRMAN in the chair]

If I may be permitted, I may say that almost the entire public sector sphere is not functioning as a socialist sector but is functioning as an aide to capitalism and private sector. There is considerable mismanagement in the public sector undertakings but the private sector undertakings are also not free from failings. One has only to study the annual reports of the Com-

[Prof. M. B. Lal.]

pany Law Administration to find out that ~~even what is~~ required by law is evaded by the private sector companies and a considerable amount of mismanagement, profiteering, manipulation and exploitation are prevailing in the private sector undertakings.

But, Madam, when I say so I 4 P.M. do not mean to say that because private industries are not being managed properly the public sector industries and undertakings may be allowed to be mismanaged. Madam, due care needs to be taken with regard to the proper management and organisation of public sector undertakings. In the final report on the Third Five Year Plan the Planning Commission invited our attention to certain deficiencies in public sector management. It was pointed out there in that the public sector undertakings were not taking proper care of, were not paying proper attention to, the advice of the Planning Commission with regard to cost accountancy. The Commission also pointed out the question of overcentralisation of management. I am sorry I have gone through the Report but I have not been able to find out from the Report if any definite steps were taken in these matters.

There are certain other defects which require to be taken into consideration. My friend, Mr. Arora, has pointed out to us that the managers of the public sector undertakings, being great bureaucrats themselves, are indifferent to the observance of the labour laws and he pleads for workers' management. I do agree with him that it is the duty of the Government to see that they are the model employers, that our attention is paid to the observance of labour laws and that the workers are treated with due consideration. Workers' participation in management also requires to be promoted.

In the end I also went to point out that prof. Galbraith, the distinguished economist of the United States of

America, invited our attention to the defects in the management of public sector undertakings and Prof. Robson, another great economist, maintained that the way the public sector undertakings are being run they cannot be instruments of socialism. Prof. Robson condemned both the system of departmental management and the system of the company type of management so far as public sector undertakings are concerned. He stood for the organisation of the management on the pattern of semi-autonomous corporations. I beg to submit, Madam, that only the other day Mr. Subramaniam, a Minister, confessed that many public sector undertakings are not functioning properly because they are not organised as semi-autonomous corporations. I hope due attention will be paid to this question. All possible attempts should also be made to the organisation of an Economic Civil Service. Let us remember that the members of the Indian Administrative Service recruited for administrative purposes cannot be regarded as experts in business and industrial matters. Their approach is very different from the approach required in a business concern.

श्री विमलकुमार मन्नालालजी खो-
ड़िया (मध्य प्रदेश) : उपसभापति महोदया,
जो रिपोर्ट विचारार्थ आई है इस पर समय
बहुत कम है और यह चर्चा बहुत बड़ी है फिर
भी कम समय में जितना हो सकेगा उतना
सदन के समक्ष रखने का प्रयत्न करूंगा ।

उपसभापति महोदया, यह सारी रिपोर्ट
हमारे 49 उद्योगों के बारे में है, वैसे
केन्द्रीय सरकार के और भी कार्पोरेशन
चलते हैं उनका इसमें वर्णन नहीं है । तो इन
49 उद्योगों में 1372 करोड़ रुपये की पूंजी
लगी हुई है और उस पूंजी का एक बहुत बड़ा
हिस्सा 724 करोड़ रुपया जो कि 52 प्रतिशत
के लगभग है वह हिन्दुस्तान स्टील लि० में
लगी हुई है । इस सारी पूंजी में मेरे मध्य प्रदेश

का जहा तक सवाल है, कुल २६४ करोड का हिसाब उसमे आया है। मध्य प्रदेश एक बहुत पिछडा हिस्सा है, वहा बहुत बडा एक्मटेसिव एरिया है, नैचुरल रिसोर्सेज बहुत हैं, फिर भी इतनी ही पूजी लगी हुई है। वहा के नैचुरल रिसोर्सेज को हारनेस करने के लिए हमारी सरकार को कुछ और प्रयत्न करना चाहिए। जहा तक इस पूजी मे किस का कितना प्रतिशत लगा है, इसका सवाल है तो ऐसा लगता है कि हमारे यहा पर तीन हिस्से है, स्टेट, सेक्टर और प्राइवेट पार्टीज, इंडियन प्राइवेट पार्टीज और फारेन प्राइवेट पार्टीज—तो जो विदेश की प्राइवेट पार्टीज है उनका प्रतिशत इसमे गत वर्ष के मुकाबिले मे बडा है और हमारे यहा भारत की जो प्राइवेट पार्टीज है उनका प्रतिशत कम हुआ है। मैं यह चाहता हू कि इन पब्लिक अडरटेकिंग्स मे हमारी जो भारतीय निजी पूजी है उसका भी अधिक से अधिक प्रतिनिधित्व करें, उसको अधिक से अधिक इसमे आने का मौका दें। हां, यह जरूर ध्यान रखे कि हमारी जितनी भी पब्लिक अडरटेकिंग्स है उनमे 51 परसेंट से अधिक या 51 परसेंट के शेयर हमारी केन्द्रीय सरकार के या प्रान्तीय और केन्द्रीय सरकारो के मिला कर के रहे।

उपसभापति महोदया, जहा तक इसके लाभ का सवाल है, पूर्व के दो वक्ताओ ने बताया, इस रिपोर्ट के हिसाब से ७.५ परसेंट का लाभ हुआ। मुझे बडे खेद के साथ कहना पडता है कि ७.५ केवल २६ उद्योगों के ऊपर है, जबकि ४६ उद्योग है।

श्री देवकानन्दन नारायण (महाराष्ट्र): मान ए. प्वाइंट आफ आर्डर। मैं यह कहना चाहता हू कि यहां इस वक्त बडी मुश्किल मे हमारा कोरम है। हम २५, ३० मेम्बरान और होंगे उस तरफ देखता हूं—आफिशियल गैलरी या क्या उसका नाम है—आफिशियल गैलरी मे कम से कम ५० अफसर बैठे हुए है।

श्री गिरिराज किशोर कपूर (मध्य प्रदेश): आपको क्या नुकसान है?

श्री देवकानन्दन नारायण : मुनिए तो। मैं जानना चाहता हू कि इतने की आवश्यकता क्या है, कितना नुकसान होता है, कितना समय जाता है, कितना पैसा खर्च होता है? यह सोचना चाहिए, यह सोचने जैसी बात है।

THE DEPUTY CHAIRMAN: Mr. Chordia, you continue

श्री गिरिराज किशोर कपूर : भिन्न भिन्न उद्योगो के प्रतिनिधि आएं ही।

प्रो० मुकुट बिहारी लाल : मेरे ब्याल बे शायद सदस्य गैलरी को नोटिस मे नही ला सकते।

उपसभापति : उसके लिए ही तो मैं चौरंगिया जी को कहती हू कि वह काटोन्गु करे।

श्री विमलकुमार मन्नालालजी चौर-
ङिया : यह जो ७.५ प्रतिशत का लाभ बताया है, यह भी हमे एक इश्युजन मे डालने के लिए है। मैं यह नम्र निवेदन करूंगा कि आगे जो रिपोर्ट आए उसमे सारे ४६ उद्योगो का टोटल प्राफिट क्या है, टोटल लाभ क्या है इसको बता सकेंगे तो ज्यादा अच्छा होगा। वैसे हम कलकुलेट कर सकते हैं लेकिन इसको बताने की इसमे व्यवस्था हो।

योजना मंत्री (श्री बी० आर० भगत) : क्या सब को जोड कर रखे?

श्री विमलकुमार मन्नालालजी चौर-
ङिया : अभी २६ उद्योगों का बताया है कि ७.५ प्रतिशत लाभ हुआ और गत वर्ष इतना था और आपके ४६ उद्योग है जिनका इस रिपोर्ट में उल्लेख है, उन सब को मिला कर बताइये कि टोटल प्राफिट क्या है प्राफिट का परसेंटेज क्या है, कैपिटल क्या है। सब के लिए बताइये।

श्री बी० आर० भगत : वह तो देना बिल्कुल एक गलत पिकचर देना होमा कुछ उद्योग कस्ट्रक्शन मे है, कुछ चल रहे है, कुछ आधी हालत मे है, सब को मिला कर कैमे होगा।

श्री विमलकुमार मन्नालालजी चौर-
ड़िया : सब को मिला कर ऐसे दिया जाये कि
कि भलग भलग भी दिया जाय और सब को
मिला कर भी दिया जाये ।

श्री बी० आर० भगत : भलग भलग तो
दे दिया गया है ।

श्री विमलकुमार मन्नालालजी चौर-
ड़िया : फिर टोटल पिक्चर दीजिए । इल्युजन
में रखने के लिए ७. ५ परसेंट लाभ बता दिया
जबकि, उपसभापति महोदया, जो हमारी
पूजी इन पब्लिक अण्डरटेकिंग्स में लगी है, ये
जो सारे प्राजैक्ट्स हैं, इन सब में जो पूजी लगी
है उसको देखा जाये तो एक परसेंट का लाभ
होता है । आप हमारे प्लानिंग के मिनिस्टर
हैं, बड़ी बड़ी योजनाएं बताते हैं कि पब्लिक
अण्डरटेकिंग्स की आमदनी का बहुत बड़ा
हिस्सा अपनी योजनाओं में खर्च करेंगे, लेकिन
मुझे बड़े खेद के साथ कहना पड़ेगा कि आप
स्वप्नों के संसार में विचरण कर रहे हैं कि हम
पब्लिक अण्डरटेकिंग्स से बहुत बड़ी आमदनी ले
करके इसमें लगायेंगे । यह सब निराधार है,
आज तक का जो अनुभव है वह यह है कि
हमने जो अपेक्षा की वह हमको मिला नहीं
और उसका मूल कारण यह है कि हमारे यहाँ
जो जैसी व्यवस्था चाहिए वैसी नहीं कर पाए,
उमको ठीक नहीं कर पाए ।

हमारा हिन्दुस्तान स्टील लिमिटेड सन्
१९५४ से चल रहा है । उसको गत वर्ष
१९,४६,६०,००० रु० का नुकसान हुआ था
और इस साल वह नुकसान बढ़ कर
२३,६०,०,००० रु० हो गया है । उपसभापि-
ठ्यक्ष महोदया, इस तरह की स्थिति हमारे
पब्लिक अण्डरटेकिंग्स की है और मैं यह
कहना चाहता हूँ कि इस तरह के लास को
हम कब तक सहन करते रहेंगे ? सरकार को
इस बारे में एक नीति बना लेनी चाहिये कि
इतनी सीमा तक लास होना चाहिये । इसके
अलावा इस कारखाने में उत्पादन की कीमत
पड़ती है २,६०० रु० प्रति टन जबकि बाजार

में १,१७६ रु० प्रति टन कीमत है । इसका
नतीजा यह होता है कि अन्य उत्पादनकर्ता
पर्याप्त लाभ उठाते हैं । इस तरह की व्यवस्था
जो हमारे पब्लिक सेक्टरों में है उसकी अच्छी
तरह से जांच होनी चाहिये ? क्योंकि इन अण्डर-
टेकिंग्स को विदेशी मुद्रा की सुविधा दी जाती
है, लेबर लाज लगाना उनके लिए आवश्यक
नहीं होता है, जमीन की सुविधा इन्हें दी जाती
है और धन की कमी नहीं होती है । अगर १०
करोड़ की योजना है और वह ७१ करोड़
की हो जाये तो कोई चिन्ता नहीं है । इस तरह
की सारी व्यवस्था हम इन अण्डरटेकिंग्स के
लिए देखते हैं, फिर भी ये घाटे में चलते हैं
इसका क्या कारण है ? हम इनसे जो अपेक्षा
करते हैं वह हमें नहीं मिलता है, तो हमें इन
अण्डरटेकिंग्स के बारे में शंका होने लगती
है । जो इस मत के हैं कि पब्लिक सेक्टर सफल
हों, जो पब्लिक एन्टरप्राइस के बारे में तरह
तरह की बातें करते हैं उन्हें यह देखना चाहिये
कि इतनी सुविधा मिलने पर भी इन अण्डर-
टेकिंग्स का प्राइवेट सेक्टर की तुलना में
अधिक लाभदायक होना चाहिये था । परन्तु
हम यह देखते हैं कि वे बराबर में भी नहीं है
और घाटे में चल रहे हैं । इस तरह के अण्डर-
टेकिंग्स चाहे वह सोवियत रूस में हों, चाहे
वह अमरीका में हों और चाहे यह भारतीय
इण्डस्ट्रीज में हों, जब तक इस तरह की अण्डर-
टेकिंग्स इकोनॉमिकली नहीं चलेगी तब तक
कोई भी सरकार उनके घाटे में चलना सहन
नहीं करेगी । प्राइवेट सेक्टर के मुकाबले में
पब्लिक सेक्टर को लाभ पर चलना चाहिये ?
लेकिन हम यह देखते हैं कि वे घाटे में चल रहे
हैं, जो कि उचित मालूम नहीं देता है ।

मैं पब्लिक अण्डरटेकिंग्स का नमूना
आपके सामने पेश करना चाहता हूँ, ताकि
आपको मालूम हो जाये कि इस तरह की
संस्थाएं किस दिशा में और कैसे काम कर रही
हैं । रांची में हैवी इंजीनियरिंग कारपोरेशन
है उसके बारे में जो जांच रिपोर्ट आई उससे
आसानी से पता लग सकता है कि वहां पर
चार ग्रुप हैं । एक ग्रुप तो हमारे श्री नागराजा

राव का है। दूसरा श्री डी० सान्डिलया का है। तीसरा श्री हबीबुल्ला साहब का मुप है और चौथा श्री आर० टी० सिंहा साहब का है। इन चारों की गुटबाजी की वजह से भारतीय पब्लिक सेक्टर की लाखों रुपये की जायदाद जल गई। इस रिपोर्ट में यह बतलाया गया है कि श्री नागराजा राव प्रान्तीय भेदभाव बढ़ाने में लगे हुए थे। श्री हबीबुल्ला साहब जातीयता की भावना को बढ़ा रहे थे और श्री सान्डिलया साहब को उसी वजह से वहां से हटा दिया गया। श्री आर० टी० सिंहा साहब राजनीति में लगे हुए थे। इन चार मुपों का परिणाम यह हुआ कि रांची के हेवी इंजीनियरिंग कारपोरेशन में भयंकर आग लग गई, जिसकी वजह से सरकार का करोड़ों रुपये का नुकसान हो गया। तो मैं यह प्रार्थना कर रहा हूँ कि जैसी स्थिति रांची की है, वैसी स्थिति भोपाल की भी है और वैसी भिलाई की है। हमारे जो अन्य पब्लिक सेक्टर हैं वहां पर भी जातीयता, प्रान्तीयता तथा भाई-भतीजेवाद की बात भयंकर रूप से चल रही है। जिसकी वजह से हमें भयंकर नुकसान उठाना पड़ रहा है। मैं आप से यह प्रार्थना करना चाहता हूँ कि इस बारे में सरकार को जांच करना चाहिये और इन पब्लिक सेक्टरों में जो जातीयता तथा प्रान्तीयता की बात चल रही है, उस पर नियन्त्रण किया जाना चाहिये।

इसके अलावा हम यह देखते हैं कि हमारे ग्रण्डरटेकिंग्स में लीडरशिप की कमी है, श्रमत्व की कमी है। वहां पर मजदूरों से काम किस तरह से लिया जाना चाहिये, किस तरह से टीम वर्क होना चाहिये इन बातों का कराने की क्षमता वहां के अधिकारियों को नहीं है। इसका कारण यह है कि जो आई० ए० एस० आफिसर भेजे जाते हैं वे रिटायर्ड होकर वहां जाते हैं और जिन्हें मजदूरों से काम लेने की श्रमता नहीं होती है। वे लोग तो सिर्फ डिपार्टमेंटों का ही काम करना जानते हैं। इसलिए मेरी प्रार्थना है कि हमारे जो पब्लिक

ग्रण्डरटेकिंग्स हैं उनमें ऐसे ही अधिकारियों को भेजा जाना चाहिये जिन्हें काम लेने की क्षमता हो। इस बात पर भी हमें गम्भीरता के साथ विचारना चाहिये और कुछ न कुछ अवश्य करना चाहिये।

यह जो रिपोर्ट रांची के बारे में दी गई है उसमें यह बतलाया गया है कि वहां पर अधिकारियों ने क्रिमिनल नेगलिजेंस किया, जिसकी वजह से वहां पर इतनी बड़ी आग लग गई, जिसके कारण सरकार को करोड़ों रुपये का नुकसान उठाना पड़ा। इसलिए मेरी प्रार्थना यह है कि इन सब बातों को देखते हुए और इस रिपोर्ट को आधार मान कर हमें अपने यहां के पब्लिक सेक्टरों का प्रबन्ध ठीक करना होगा। अगर हम इस तरह की व्यवस्था नहीं करते तो हम पब्लिक सेक्टर का जो स्वप्न बना कर आगे चलना चाहते हैं उसमें सफल नहीं हो सकेंगे। हम पब्लिक ग्रण्डरटेकिंग्स का जो सुन्दर मन्दिर बनाना चाहते हैं उसकी जगह हम कुछ कंकर और पत्थर ही ख पायेंगे; क्योंकि इन संस्थाओं में कार्य कुशलता की क्षमता नहीं है। इसलिए मैं आपको आगाह कर देना चाहता हूँ कि इन संस्थाओं में जो कमियां हैं उनकी जल्द से जल्द ठीक किया जाना चाहिये ताकि वे अच्छी तरह से और इकानौमिकली चल सकें।

SHRI M. N. GOVINDAN NAIR (Kerala): Madam Deputy Chairman, I am glad Mr. Mani has raised this discussion. I am equally glad that the Official Gallery is full. I do not share the view of my friend, Shri Deokinandan Narayan. It only shows how much they are interested to know the views of Members of Parliament, so that they may improve the working of public undertakings. But I am a little disappointed with the type of Report which has been placed before this House. Now, when we are dealing with public undertakings, these undertakings have to be viewed from a wider perspective. By the Industrial Policy Resolution we

[Shri M. N. Govindan Nair.]

want these public undertakings to rise to commanding heights in the economy of our country. Also, we have accepted socialism as our goal, which means that these public undertakings, gradually and ultimately, should control the economy of this country. This is the perspective in which we want these public undertakings to work. We know that the development of the economy of our country during the last few years was not according to the perspective which we are having. That is another matter. But when we are dealing with public undertakings we want these reports to be placed in such a way that we would like to know what was the target of performance expected from these public undertakings and to what extent it has been fulfilled. Now, my friend, Prof. M. B. Lal, referred to the recommendations of the Planning Commission. Now, there is the Estimates Committee. There is the Public Accounts Committee. All these Committees go into the working of these undertakings. They make certain recommendations. So, when the annual report is placed, we would like to know what attention has been paid to these recommendations and to what extent they have tried to implement those recommendations. If they have failed, why they have failed. These should form part of the Report. Unless that is done, it will not help us very much.

Secondly, when we wanted these public undertakings to grow, we expected a good return, so that it may be reinvested for further developmental activities. Now, why some of us are strongly supporting the public sector is this. In the case of the private sector, the gains that are made, a larger portion of them, may not be reinvested in industries. In the case of the public sector, the money that is gained, the profit that is made, can be reinvested.

SHRI I. K. GUJRAL (Delhi): Is it your contention that the success of

a public sector undertaking depends upon the profit it makes? The more the profit, the better it is.

SHRI M. N. GOVINDAN NAIR: No. That is one of the criteria. There also, in the Third Five Year Plan we expected, after taking into consideration all these facilities that my friend, Mr. Arjun Arora, wanted to give to labour or they are giving to them, taking into consideration all those facts, the Planning Commission expects certain percentage of profit from each undertaking and they thought that this much amount would be available for further investment. So, I am asking to what extent . . .

SHRI I. K. GUJRAL: Is that your basic approach to this problem?

SHRI M. N. GOVINDAN NAIR: I am not making a general statement. Concretely they have made calculations. When the Third Plan was prepared, concrete calculations were made as to the profit that could be made from these industries. To what extent that has been fulfilled we should know.

SHRI ARJUN ARORA: Is the hon. Member accusing the Planning Commission of over-optimism?

SHRI M. N. GOVINDAN NAIR: I am not accusing anybody or supporting anybody. If the Planning Commission has estimated so much of profit and if the undertaking has failed to raise the profit to that level, an explanation is necessary in the Report. That is what I say. If they are correct, we accept their explanation. That is all. I am not making any criticism of either the public sector or others. When the report is given, the Estimates Committee gives certain recommendations. We want to know what they are doing with these recommendations.

SHRI I. K. GUJRAL: May I know what is your basic approach to the public sector? What is your criterion?

THE DEPUTY CHAIRMAN He has only ten minutes So let him speak

SHRI M N GOVINDAN NAIR If the hon Member will persuade the Chair to give me more time, I will explain I do not want to go into it now, it is a wider field

About the management, some friends were pleading for autonomous corporations I think that the Government had already accepted that position. Formerly these industries were run by departments They said there is so much of Government control and so we should have public corporations And many of these are public corporations They are supposed to be autonomous corporations,

PROF. M B LAL They are corporations only in name

SHRI M N GOVINDAN NAIR, I am coming to that But in the actual working is there a difference between a departmentally-run industry and a public corporation? No With regard to the management somebody suggested that there should be a management cadre I agree with that, and they should have nothing to do with this administrative cadre Now what is happening? In the name of public corporation the Government Secretaries are there and they really control Not only that, the bureaucracy has a Eleventh Commandment which every member of the bureaucracy practises, and that is never to get caught In the management of these concerns there should be somebody who is responsible for the failures, and the practice of the bureaucracy is such that if any Secretary is placed, he will set in a practice whereby you will not be able to put your finger on the real person What is happening? When there is a lot of complaint against the management of a particular concern—and you should know that he will be one of the Government Secretaries—he will be transferred from that concern to another concern Those people who fail in their job should not get the

same benefits They should not be promoted That should not be They should be given autonomous powers, I am for it, for initiative, autonomy, and all those things But once they fail, they should be severely dealt with.

SHRI A D MANI They should become Governors

SHRI M N GOVINDAN NAIR: When I speak about autonomy, I have to tell you one thing Autonomy does not mean licence There should be parliamentary control, there should be Government control of these public undertakings We are not making a novel experiment There are many other countries which have worked on it and you have to take lessons from them How to have effective Government control without killing the initiative of the corporation, that is something which we have to evolve. As there is little time, I do not want to go into that in detail

Then the main thing is about the attitude of labour I do not know of any Government concern, public sector concern where there was not a labour trouble in the recent past, Why should it happen? Now in the Estimates Committee Report of 1963-64, while dealing with the labour matters they have made this comment:

"In the Handbook on 'Labour Laws and Practices' published in October 1962 also that Ministry has observed as follows.—

"The procedures evolved and the machinery set up in many of the public sector undertakings to deal with labour matters leave much room for improvement. While creation of such (Personnel) departments may not be a statutory obligation, it is necessary that efficient personnel departments, adequately staffed with trained and experienced officers, are set up in the public sector undertakings to deal with labour matters'"

[Shri M. N. Govindan Nair.]

Then again it is said:

"It is noted that this matter also came up for discussion at the Tripartite meetings and Conferences held between 6th and 14th July 1963 when the following conclusion was arrived at:—

"The Personnel Departments in the public sector undertakings should be strengthened."

The Estimates Committee has also made those recommendations. All this shows how anybody who has gone into this matter has felt very bad about the way the labour matters are dealt with. I would give you one simple example. We are for democratic socialism and we have a democracy

SHRI ARJUN ARORA: Are you for democratic socialism?

SHRI M. N. GOVINDAN NAIR: We are enjoying democratic rights. I know why you are saying that. But an ordinary labourer has a right to vote for any person he likes, and because of adult franchise he has a hand in the choice of selection . . .

SHRI ARJUN ARORA: Yes, that is correct, but . . .

SHRI M. N. GOVINDAN NAIR: Will you please sit down? But unfortunately in the matter of managing their own affairs what happens? Will you extend this right to the labourers of these institutions? Can they choose their own leadership? Will you permit it? You speak about democratic socialism. Where a worker is not given that right, which you and I enjoy, to deal with his own affairs, what is the meaning of your talking about democratic socialism?

SHRI ARJUN ARORA: He is misleading the House. There is no interference.

SHRI M. N. GOVINDAN NAIR:

The majority of the workers may support a particular union. That is not recognised. (Interruption) I am not yielding. The recognition comes to a union which is not supported by even a small minority, and the excuse is that it is the State Government that decides which is the union to be recognised. In a Centrally controlled industry the State Government comes in to impose a union on the industry. Why should it be done? Why cannot you extend the ordinary right which every citizen in this country enjoys?

With these observations I conclude.

STATEMENT BY PRIME MINISTER REGARDING HIS VISIT TO THE UNITED KINGDOM

THE PRIME MINISTER AND MINISTER OF ATOMIC ENERGY (SHRI LAL BAHADUR): Madam, in response to an invitation from the Prime Minister of the United Kingdom. Mr. Harold Wilson, I visited London from 3rd to 6th December, 1964. The period of my stay in the U.K. had necessarily to be brief but the visit was indeed useful.

Before my meetings with the U.K. Premier and other Ministers, I was happy to have had an opportunity of meeting Her Majesty the Queen.

A wide range of subjects came up for discussion during my meetings with Mr. Harold Wilson and several of his Cabinet colleagues. We exchanged views fully and frankly in a friendly and informal atmosphere.

There was no formal agenda for discussions. However, some of the topics on which there was an exchange of views, were as follows:

- (i) The complex international situation as seen from Delhi and London, particularly the