

Central Government relying upon the poverty estimates of Planning Commission has estimated that number of BPL families in Andhra Pradesh is around 41 lakhs where the State Government has on the directive of the Supreme Court and after making door to door survey identified 1 crore 13 lakh families living below the poverty line in the State. Based on its estimates, the Centre is releasing subsidised rice for only 41 lakh BPL families whereas the actual requirement is for 113 lakh families leaving an astonishing gap of 72 lakh families who are being denied subsidised ration items from PDS in the State. It is gross injustice to these families who cannot afford to buy essential commodities at par with APL families. Presently, Andhra Pradesh is reeling under severe drought conditions which has made the life of BPL families more miserable. Now even APL families too are facing difficulties.

On the one hand, our buffer stocks of foodgrains are overflowing but on the other, more than seven million families denied subsidised ration items. I, therefore, demand from the Central Government to release subsidised foodgrains for 113 lakh BPL families of Andhra Pradesh now onwards which have been identified by the State after on the spot verification on Supreme Court directive of such families and also release sufficient foodgrains for food for work programme to the State on priority basis.

**उपसभाध्यक्ष (श्री रमा शंकर कौशिक) :** अब अगला विषय अल्पकालिक चर्चा है जो विनिवेश के ऊपर है। सब लोगों की राय है कि वट्ट लेंच के बाद ही शुरू की जाए। तो अब हम भोजनावकाश के लिए दो बजे तक के लिए उठते हैं।

The House then adjourned for lunch at forty five minutes past twelve of the clock.

The House re-assembled after lunch at two of the clock,

THE VICE-CHAIRMAN (SHRI RAMA SHANKER KAUSHIK) in the Chair.

### SHORT DURATION DISCUSSION

**Disinvestment of profit-making public sector undertakings with special reference to H.P.C.L. and B.P.C.L.**

**उपसभाध्यक्ष (श्री रमा शंकर कौशिक) :** अब हम एच.पी.सी.एल. और बी.पी.सी.एल. के विनिवेश पर अल्पकालिक चर्चा शुरू करेंगे। माननीय प्रणब मुखर्जी।

SHRI PRANAB MUKHERJEE (West Bengal): Thank you Mr. Vice-Chairman, Sir, for giving me this opportunity of raising a discussion on the Disinvestment of profit-making Public Sector Undertakings with special reference to HPCL and BPCL.

Sir, we are grateful to the hon. Chairman for permitting us to raise one more discussion on disinvestment. We had a discussion, on 4<sup>th</sup> December, 2002, on the policy of disinvestment, during the last Winter Session. Various aspects of disinvestment policy were debated. And, in fact, on several occasions, the issue of disinvestment has come up. Both the sides of the House have expressed their views. Well, I do not think that it has had any impact on the Government. The Government is carrying on its programme of disinvestment. So far as the present discussion is concerned, it has a special reference to HPCL and BPCL. When the news of disinvestment of HPCL and BPCL came out, an issue was raised on the floor of this House. A basic question was whether in any public sector enterprise, created through an Act of Parliament or through the route of nationalisation, the disinvestment or reduction of the Government's stake should take place without the approval of Parliament. The hon. Minister, if I remember correctly, also, broadly, agreed that in an institution, which has been created through an Act of Parliament, if the Government wants to disinvest its shareholding then that would have to come before Parliament. Subsequently, it was demanded that the matter be referred to the Attorney-General for his opinion and to clarify the legal position. We read in the newspapers that the Attorney-General has opined that in respect of HPCL and BPCL there cannot be, in principle, any objection and the approval of Parliament is not called for or an amendment of the Act of Parliament is not necessary. Sir, HPCL and BPCL acquired the shares from ESSO, Caltex and Burma Shell in the mid 1970s. I am not going into the legal aspects of Attorney General's opinion because, on an earlier occasion -- if I remember correctly, it was sometime in 1993 -- the question of transferring of ISCO, a private sector undertaking shares came up. It was taken over under an Act of Parliament in 1976. Subsequently, the shares were transferred to SAIL. And SAIL decided to dispose of the shares and dilute the share of the Government holding. The then Attorney-General opined that it cannot be done because the shares were acquired by an Acquisition Act passed by the Parliament and the interests vested in the Government of India. Therefore, without amending the Act and making the relevant provision in the Act itself, the shares cannot be transferred to private companies or

private sectors. That was the written opinion of the then Attorney-General, given some time in June 1993. And the specific matter which was referred to the then Attorney-General was in regard to the disposing of the shares of ESSO.

Sir, I am not a legal luminary. So, I am not going into the entire legal arguments. But certain very basic fundamental questions come to my mind. I would like to seek clarifications on them. Shri Fali S. Nariman, Mr. Kapil Sibal, Shri Arun Jaitley, who is in the Government, -- Mr. Lalit Suri, also understands -- Mr. Ram Jethmalani, are all legal luminaries. But what I understand is that the whole Parliamentary system depends on the Executive's accountability to Parliament. And Parliament, especially, the House of People has total control over the Executive in matters of money and finance. The Constitution has made elaborate regulations for this. I am not going into that aspect. But a question arises. When the Government spends money, whatever be the amount, if the amount is not charged as per clause 2 of article 113, the approval of Parliament is to be sought through the instrumentalities of the Demands for Grants. When these shares were acquisitioned, thereafter, Government made investment. That investment was approved by the Parliament; by the House of the People, through the instrumentalities of the Demands for Grants. And today, if the Executive decides that without approval of Parliament, without amending the Act of Parliament, the Executive has the right to do so, where lies the Parliament's accountability? That means, the acquisition of shares for paying compensation, you require the approval of Parliament as the money is to come from the Consolidated Fund of India. It must be also approved through the Demands for Grants of the respective Ministries and Departments. And if you want to spend further on its development, then also the approval of Parliament is needed. But the assets created out of the Consolidated Fund of India, can be disposed of without approval of the Parliament ! Parliament has no role to play in it and there is no accountability to Parliament ! Is this the scheme of the Constitution? This aspect is to be thought of. We did not raise this question merely to obstruct. A large number of public sector enterprises including, BALCO, have been disinvested. And this House expressed its opinion by moving an amendment to the President's Address and expressed its disapproval to the decision of the Government. But that was not binding, Government could do it; Government did it. But here the question is this. The shares of Burma Shell, of ESSO and of Caltex, were acquisitioned through an Act of Parliament. Thereafter, the Government spent money for the reincarnation of

these two companies; that is, BPCL and HPCL. For that you had to come to Parliament and take the approval of the House. Then, demands-for-grants are passed. So, these assets were created out of the taxpayers' money or borrowed money. But when it comes to disposing of those assets, you come out with an opinion of the Attorney General that it can be done without the approval of Parliament. In 1993, on a similar case, we had sought the opinion of another Attorney General, and I would like to quote that: "The power was expressly given by Parliament to dispose of the shares held by the Treasury." But that was the case in UK, I am not talking of that right now. The opinion which was given by one Attorney General in respect of ESSO was, "if shares of ESSO held by SAIL are transferred to the private sector, the whole objective and purpose of acquisition of the said share and transfer thereof to SAIL would be defeated and cannot be sustained in law. The management, control and ownership of ESSO will no longer remain in the hands of the State, as intended by the Parliament, within its legislative competence." Do you know what happened in England when this question arose? There, for disposing of shares in respect of Government-owned companies, the approval of Parliament was sought. Today, if the Government of India, in its wisdom, makes an Act and says that to dispose of the shares of the Government-owned companies, the general approval of the Parliament will be required, then, there is no problem. You will have no problem. You have the majority. You can do it. But the moot question remains. I do not have the access to go through the opinion of the Attorney General. Surely, the hon. Minister, in course of his reply, will explain that to us. But the basic question which agitates the minds of the people and, especially, of Members of Parliament is, these assets were acquired by the Government through an Act of Parliament. Money was taken from the exchequer. For incurring expenses, under clause (2) of article 113 of the Constitution, you seek the approval of the Lok Sabha. But when it comes to disposing of those assets, you are saying that Parliament has no role to play. We, on our part, are seeking clarifications, information through questions, or, through some other methods. But, has the Government no obligation to come to Parliament and say that look, these assets, which were created out of the exchequer, are being disposed of? The basic question here is, where does the accountability of Parliament lie?

Now I come to another aspect. When this issue was debated on the floor of this House, in December, 2002, the hon. Minister had agreed that the proceeds of the disinvestment would not be used to meet the

revenue gap. This is one of the allegations that has been made. Like a parrot, I am repeating on the floor of this House that for God's sake please don't use the proceeds of the sale to meet the revenue expenditure. I know, there is a huge revenue gap. With whatever cosmetic changes you may come on 28<sup>th</sup> of February, ultimately, when the chips are down and the revised figures are made available to us, we will know what the actual revenue position is. From 1998 onwards, there has not been a single year - I do not know of the current year because, for that, we shall have to wait till 28<sup>th</sup> February -- where even the budgeted projection of the revenue realisation of the Union Government has been realised in notional terms. There has always been a shortfall. And, last year, the shortfall was to the extent of 29,000 crores of rupees. Therefore, you will always have a situation where there will be a serious gap between your revenue receipts and your revenue expenditure. And, if you think of bridging that gap by disposing of the capital assets, then what would you do after these capital assets are gone? The Tenth Plan has suggested that Rs. 78,000 crores are to be realised through disinvestment. These Rs. 78,000 crores are to be realised over a period of five years; that means, Rs. 15,600 crores are to be realised every year. I do not know whether you will be able to do that. But, even if you have that amount of money -- though every year we found that there is always a shortfall in the target -- how does it serve the purpose? I know, Mr. Minister, will tell us "You cannot accuse me for that. Well, if on the floor of this House, you oppose disinvestment, then how do you expect that, as the Disinvestment Minister, I will be able to reach the target?" I concede to him on that point. But, the fact remains that never in the past they have been able to raise the targeted resources through the disinvestment route. But, even assuming, for the time being, that you reach there, during the Tenth Five-Year-Plan, how does it serve your purpose? Therefore, we want to suggest to the Government that it should, at least, utilise this part of the resources to retire public debt so that your future interest burden gets reduced. Last year, the total tax revenue realisation, if I remember correctly, was Rs. 1,82,000 crores, as per the revised estimates. And, against that, your interest payment was Rs. 1,06,000 crores. That means, from your own revenue resources, only Rs. 76,000 crores were made available whereas the expenditure of the Government of India, for 365 days, is more than Rs. 4 lakh crores. Therefore, this amount of money is quite inadequate, and there will always be a huge revenue gap. So, my question is : What have you done and do you have any scheme to do this? If so, please let this House know.

The second point on which I would like to implore the Minister is, why cannot you yourself come and say 'this is my policy of disinvestment', and have a parliamentary approval? You can bring it in the form of a Resolution, you can bring it in the form of an Act of Parliament so that the policies of the Government are clearly known to the people. We will oppose it. But our opposition will ultimately not stand because you have got the majority, taking both Houses together, as it happened in case of POTA. You got it through. So, you can get it through, but, at least, there will be a sanctity that 'you do not disrespect this institution.' For every penny, you ought to come to the Lok Sabha. Without Lok Sabha's authorisation, except the charged amount, you cannot spend any amount. You cannot even withdraw any money from the Consolidated Fund of India unless the Lok Sabha approves it by passing the Appropriation Bill. You cannot impose any tax, as Article 265 clearly states that 'without the approval of Parliament, no tax can be levied except by the authority of law', and that authority of law in respect of the taxation, in respect of money is derived only from the Lok Sabha. But, in the whole exercise, Mr. Vice-Chairman, Sir, to me, it appears that the Government thinks of going on with the *ad hoc* measures, instead of having a policy of its own. It is not my policy, it is not anybody else's policy sitting in this House. They did not articulate it. Even if you have your policy, my point is, you articulate it, bring it in the form of a Resolution or in the form of an Act, get the approval of the Parliament, and act according to that as it was done in the case of British Parliament. Then there will be some rationality, to my mind.

The third point on which I would like to draw the attention of the hon. Minister is this. Here I have an interesting book. I do not know whether this book has been referred to or not earlier. Surely, this book has been referred to on earlier occasions also. This book is written by Joseph Stiglitz. I am sure, the hon. Minister has gone through the book titled, "Globalisation and its Discontents." The author was a World Bank Economist and also he was an Adviser to the Clinton Administration and got Nobel Prize in Economics in 2001. I will just quote from his book, page number 144. While discussing the globalisation and liberalisation, he made very cryptic observations. And that is no reason to believe that he is a Leftist in his economic thinking. While discussing the failure of the Russian economy, he made his observation as to what has been the centre stage of the liberalisation policy. He says that the centre stage of the liberalisation policy is privatisation. I quote from page number 144 "But, of course, it is easy to

privatise quickly if one does not pay any attention to how one privatises it, especially give away valuable State property to one friend, indeed, it can be highly profitable for Governments to do so whether the kickbacks come back in the form of cash payments or in the campaign contribution or both. I do not know." Privatisation is the easy thing of the economic liberalisation because, after all, the asset that you have you can dispose of. There are many takers. On the floor of this House, it has been debated and it has been discussed that a property which was in the public sector when it passed hands and ownership transferred to private sector and, not even within one year but within months, the same property fetched higher prices which Government could not get. Therefore, these types of things are going to happen in the name of privatisation and in the name of liberalisation. Whether we are going to create crony capitalism is to be thought of very seriously. Therefore, it was required; it needs, and I am repeating the point, a clear policy outline and that policy outline must be debated. I have no complaint about the discussion. Umpteen number of times we have discussed it. In parliamentary jargons, these discussions were just talked about because they did not end in expressing the opinion of the House. Therefore, you can have it. The Government can initiate it, and even if this House rejects the Government's Resolution, both Houses jointly will accept it, and we will have the effect of the approval of both Houses. The third point on which I would like to emphasise, Mr. Vice-Chairman, Sir, is: What do you gain by disinvesting the profit-making units? One can understand chronically sick units. You cannot give budgetary subsidies; you don't have resources. You can dispose them of. One can understand disposing of the sick units, which can never be made viable. But, what is the rationality of disposing of profit-making public sector enterprises, which have a track record of not making profit just in a year or once in a blue moon but having a continuous record of profit-making? You can say that they are getting advantages in the form of protection by the Government. Do away with the protection. Place them in the competitive atmosphere. Don't give them any special patronage. In a competitive atmosphere and in a competitive environment, if public sector enterprises can make profit, what is your objection that they should not remain public sector and the Government holding should not remain 100 per cent? Does it stand in the way of professionalisation? Who prevents you? If instead of taking the decision in the Secretariat, at the desk of the Joint Secretary or the Additional Secretary, you feel that the decision is to be taken in the Board room, who prevents you? You are the owner. You can do that. But,

what is the rationality of disposing them of at this time? I am unable to understand it despite very eloquent arguments from my very distinguished colleague, the hon. Minister, whose articulation and formulation is really praiseworthy.

The last point which I would like to emphasise is that, for God's sake, think over it, ponder over it. On this point, there is not only a difference of opinion between the Ruling Coalition and the Opposition, but also within the Ruling Coalition itself. I am not going by the jargon of the Swadeshi Jagran Manch or this or that. But, within the same Council of Ministers, there is a difference of opinion. I am not quoting, because, on the last occasion. We debated it elaborately, by quoting the observations of various Ministers publicly. How did they air their views against the policy of disinvestment? But, I will suggest one point to the hon. Minister to ponder over. Why is this objection? Is it merely because they do not like disinvestment or is there some serious apprehension? Have you ever thought whether there is any basis for such an apprehension, apart from the odd examples which we got? I am not going into that aspect. But, the Fertilizer Minister told us that he is not in favour of disinvestment of profit-making fertilizer units. The Minister of Petroleum and Natural Gas is on record to say that the oil sector, which is of strategic importance, should not be subjected to disinvestment, and the hon. Minister is fully aware of the situation under which the shares of the multinational oil companies were acquisitioned in India--Burma Shell, Caltex and ESSO-- and the strategic importance of oil cannot be denied. With the volatile political situation in West Asia, and in the context when three-fourths of hydrocarbon sources of energy are imported, keeping that in view, what is the urgency and what great economic benefit we will have by denationalising and privatising the oil sector? Therefore, these are some of the issues, Mr. Vice-Chairman, I thought, I should bring to the notice of the House and the Government, though I know fully well, as it happened in the past, our discussions will remain confined to words, and these words will not be reflected in action. But still, even at this late stage, I will suggest, rather, I will implore the hon. Minister to think of that. He will do a great job to this country if he can segregate this fund, and at least, utilise it to pay back the public debt, because, if you say that you are going to invest it in the social sector, at least, I am not going to buy it, because, I had some experience of sitting on the other side of the House, and therefore, I know that once it goes into the general coffer, and once it is mixed with the general revenue, whatever little



bit you may like to do for the social sector, education, health etc., my experience has been otherwise. I do not think that there has been a sea change over the years since I left the North Block, and that there is a totally new atmosphere. Series of cesses are being charged--tea cess, coffee cess and gold cess for specific objectives. But, at the end of the day, you will find that those are being used to meet the general expenditure. Those are not diverted to the targeted expenditure proposal for which these cess were levied. Therefore, if you want to do it, have one objective and that objective could be fulfilled; because many of those assets were created by borrowed money and you are spending, as I quoted earlier, huge amounts of money annually only towards your interest payment. Therefore, if you can retire public debts through these disinvestment proceeds, it would be, to my mind, a great service to this country. Thank you, Mr. Vice-Chairman Sir, for giving me this opportunity.

SHRI C. RAMACHANDRIAH (Andhra Pradesh): Thank you, Mr. Vice-Chairman Sir. It has become a ritual in every session of the House to debate about disinvestment, drought, temple issue, etc. This reflects the negative aspects of our economy, as also the negative aspects of our thinking. As the hon., Shri Pranab Mukherjee said, there is a lot of confusion about disinvestment in this country, not only among various political parties, but among the members of the Cabinet also. Sir, it is true that the public sector has played a very big role in building up the economy of this country, when no huge investments which were necessary then to build up the core sector to have very good infrastructural facilities, are not coming forward, public sector has played a very good role. But the perception has been developed that the command economy is not delivering the goods as per the aspirations of the people; and the role of the State has been redefined that it should concentrate more on the aspects, which will influence the human development indicators and keep away from industry and trade. So, the Government has formulated a policy and I do admit that we cannot isolate ourselves within the framework of the global order in changing our economic policies. There is nothing new in this subject -- it has been repeatedly discussed -- except requesting the Government to be very transparent in making the disinvestment, whatever methods are adopted for evaluating the assets. Whether it is the discounted cash flow, or profit ratios, whatever you call it, there should be a benchmark in fixing the value of the assets. I am fully confident that under the able and very honest Minister, Shri Arun Shourie, definitely we can achieve the results. But as

Shri Pranab Mukherjee remarked, to what extent today have we retired the public debt in this country? After all, over a Budget outlay of Rs. four lakh crores in 2002-03, I think, subject to correction, Rs. 95,000 crores is the revenue deficit. Moreover, 24 per cent of the Budget outlay is revenue deficit. Are we really retiring the public debts with the sale proceeds of disinvestment? I fully concur with the view expressed by the senior Member, Shri Pranab Mukherjee, to keep a separate fund and use it exclusively for the repayment of the public debt. Only then the purpose will be served. Otherwise, it is easy to say vaguely that the money has been spent on the social sector. In fact, prior to disinvestment also, we have been spending money on the social sectors; we have not developed in these sectors on a large scale. Sir, I do admit that it is not an easy task. When I first spoke on this subject, I requested to have parliamentary control over the overall formulation of the policy and execution of that policy. I do realise the constraints the Government can face because the Parliament cannot intervene in the day-to-day administration, and it is not feasible also. But the Government should come out with a policy to set up some machinery. Till today, I think, they could not build it to convince the people, leave alone the Parliament, that a transparent machinery has been evolved to get the maximum amount in the process of disposition of its assets. He has told us that some incident which recently took place has created a suspicion. But kindly ensure that such things do not recur. The Telugu Desam Party is committed to the economic reforms. In this process, privatisation is the core issue. We have been doing it in our State also. Sir, I want to bring two aspects to the notice of the Government. Let us not create monopolies in this sector in the name of privatisation. This country has got vast natural resources, and it is the duty of this generation to preserve our natural resources. Let us not allow the monopolistic companies to squander the natural resources to the detriment of prosperity. When you want to privatise it, why should there be hazards? Twenty-five per cent privatisation! Twenty-six per cent privatisation! That, in fact, brings down the capital value of the shares, and, ultimately, the shareholders suffer. When you want to privatise it, make it hassle-free. See the Tatas, the VSNL, who have given 25 per cent, and they have transferred Rs.1,200 crores. It has become a very big controversy. Having paid some Rs.2,000-odd crores for acquisition of 25 per cent equity--and they have transferred Rs.1,200 crores--again, the Government has to intervene. Do it in a whole-hearted way, if you want to privatise it. However, you are giving over the management with 25 per cent of the equity. When such is the case, when we are allowing foreign equity

into the country, when we are allowing it in the financial sector, banks and insurance companies, let us not create any hazards. In no way, the Indian multinationals can better serve the country than the foreign multinationals; that has been proved. Let the Government get the maximum amount out of this disinvestment because you have followed the policy to totally disinvest. No objection; go ahead. But do it to the maximum advantage of the country. This aspect has to be taken into consideration. Sir, I once again appeal that these monopolists who have been trying to build up their monopolies are creating some islands of posterity in the country. There is growth, but the dividends of growth have not been distributed uniformly. It should be the endeavour of the Government to properly distribute them. The fiscal deficit has gone up to Rs.95,000 crores because of the irrational policies that the Government of India has followed. They have, without consulting the State Governments, accepted the Fifth Pay Commission Report and thrust it upon the State Governments, which has totally shattered the economies of the States. If you see the revenue deficit figure from 1995-96 to 1997-98, it has steeply gone up only because of that. So whenever you take such decisions, kindly take the State Governments into confidence and keep in mind what impact it will have on the economies of the States. You are now coming forward with the Fiscal Responsibility Bill. When your own revenue deficit is 24 per cent of the Budget Outlay, how can you expect the States to maintain fiscal discipline? It is very difficult. With conviction, you cannot do it. So, my request is that you must ensure that the Government expenditure is minimised. You should keep a separate fund for retiring the public debts from the proceeds of disinvestment. Take the State Governments into confidence, whenever you take decisions which have an impact on the State economies. So, these are all important aspects. I do admit that disinvestment is a very sensitive subject. We can find fault with you, even if you go very perfectly. It is a very sensitive subject, and a very sensitive exercise also. So, Government should be very careful and build up a transparent machinery. After all, we are selling the assets which were built up over a period of time with public money, and people are attached to these assets. So, kindly ensure that the Government gets the maximum out of it.

SHRI DIPANKAR MUKHERJEE (West Bengal): Sir, as asked by the previous speaker just now -- and I think the Hon. Minister also feels the same way -- why is there this ritual, why in every session, we have this discussion on disinvestment? I am afraid it is because the objectives,

modalities and the choice of PSUs are being questioned. There has been a very sharp divide. Forget about the consensus, there has been a very sharp divide on these issues. That is why, time and again, when a particular company or a PSU is talked about, there is an opposition and we come to the Parliament. The basic thing, which I will try to deal with here today, is not on the ideological issue. I would like to know one thing from the Hon. Minister, who is a very, very knowledgeable man, who is a Ph.D. and who has worked in the World Bank; he had also been a journalist. I do not have that much of knowledge. The basic point here is, whether the parliamentary institution, as it is, is serving, in any way, so far as this process of governance is concerned. Last time, when we had a debate on 4<sup>th</sup> December, I had quoted it because I had seen the Prime Minister on TV, saying somewhere that there was a consensus on disinvestment. I am afraid that this is factually incorrect because on 4<sup>th</sup> December, on the same issue of disinvestment of profit-making undertakings, I heard Mr. Pranab Mukherjee, who had quoted from Bangalore Congress Resolution on 17-18<sup>th</sup> March, saying that the Government holdings in public sector undertakings, which have a consistent record of making profits, will not be reduced below 51 per cent, neither the Government holdings, nor the national banks, etc. Now whether it is correct or what they have done 5-6 years back or what the States are doing, I am not bothered about. I am only bothered about what is being said on the floor of this House. This is the Congress statement. So far as the Left is concerned, our stand on the privatisation of profit-making undertakings is known. Sir, you had also talked about the same regarding privatisation of profit-making undertakings. Mr. P.G. Narayanan (AIDMK) said, "Sir, my suggestion is that profit-making undertakings should not be privatised". Sir, I quote Mr. Sanjay Nirupam of Shiv Sena, which is an ally of the NDA. He supported disinvestment, but he had said that प्रोफिट मेकिंग पब्लिक सेक्टर यूनिट्स को प्राइवेटाइज नहीं करना चाहिए। Shri Rajiv Ranjan Singh Lalan specifically raised the issue of HPCL and BPCL, as if the whole thing should be reviewed. Mr. Virumbi is there. I had asked him today also. But I saw his leader, in his party, saying that profit-making undertakings should not be privatised. So, in this case, if we take these views, as it is, it is very clear that a majority of the political parties are not in favour of privatising profit-making undertakings. That means the minority opinion is being thrust on this House, and this Parliament cannot be a mere spectator. Now, I find that the hon. Prime Minister here, in this House, on the issue of Women's Reservation Bill, comes and tells us, "We are trying to form a consensus." Though major parties are in favour, some parties are

opposed, we are informed that because of a consensus, they are not bringing this Bill. How many faces this Government has, I have not understood. For that Bill, they are saying, because some parties -- any party, whether Smajwadi or RJD -- are not in favour, 'we are not bringing this Bill'. Here, on this issue, on disinvestment of profit-making undertakings, when so many parties are saying that they are not in favour, he says, there is a national consensus. Not only that, on 26<sup>th</sup> January, a decision has already been taken. Mr. Minister, Sir, hon. Mulayam Singh Yadav is the Chairman of the Parliamentary Standing Committee on Petroleum and Chemicals. Here is a Report of the Parliamentary Standing Committee on Petroleum and Chemicals. This Standing Committee comprises 45 Members from both the Houses. This Report was laid on the Table of this House on 20<sup>th</sup> December, 2002. Forty-five Members, without a note of dissent, reiterated their earlier stand. Earlier they had made recommendations. The Standing Committee gave report on 17<sup>th</sup> May, 2002. They had opposed the disinvestment of BPCL and HPCL for certain reasons. After that, an Action Taken Report had come from the Government. Based on that Action Taken Report, again a Report was placed on 20<sup>th</sup> December in both the Houses. I am sorry to say that even three months minimum time has not been given to someone to go into these recommendations and apprise the Standing Committee of the Parliament of what they feel about it. You have taken a decision. I am sorry I have a high opinion about the Attorney-General. A legal opinion is different. As a Parliamentarian, I am concerned about the legislative opinion. These are the recommendations of the Standing Committee, which is a consensus Report of all parties. Before the ink has not dried, how is that a decision to privatise BPCL and HPCL has been taken? Many Members are questioning that. It is an issue which should be discussed by senior leaders of the House, whether we should have these Standing Committees at all, if this is the fate of the recommendations.

Sir, if you give me some time, I can give the recommendations. How firm they are! The Standing Committee included leaders like Keshubhai Patel. He is not here. He is ex-Chief Minister of a State. He is a Member of this Standing Committee. Another gentleman, who is now a Minister, is Mr. Dilip Gandhi. I think now he is not demoted because he is part of this Report. The recommendations say, "The Committee, therefore, again emphasise that HPCL and BPCL both are engaged in raising the infrastructure and already fulfilling the objectives of disinvestment". The

whole Report has tried to show that whatever objectives that you had about disinvestment, that has already been achieved through these oil companies. The Standing Committee, therefore, reiterated its earlier recommendation that BPCL and HPCL should not be disinvested. Now, what should I do with this Report, Sir? This Parliament should throw it in the dustbin. Now, the position is that it should be thrown into the dustbin because it has no relevance. The Government has already taken a decision on 26<sup>th</sup> January based on certain opinion of the Attorney-General, which is not still before me, as a Parliamentarian. What for are we here, Sir? Someone would say in the Press that the Attorney-General said like this; so, we need not go to the Parliament. Why should we do it? The words I cannot use. यह तो शौरी साहब बोलेगे, ट्रांसपेरेट, फलाना और डिमका क्या क्या सरकार की क्यालिटी है?

'Why is this Sarkar so afraid of facing the Parliament? इसमें क्या है। कोई लेनदेन तो नहीं हो रहा? अगर हो रहा है तो दूसरी बात है। अगर लेनदेन नहीं हो रहा, कोई चैकमेट नहीं है तो पार्लियामेंट में फेस करने में क्या दिक्कत है? नहीं, मारुति में तो नहीं हुआ होगा। किसी दिन आकर बोल देंगे कि सरकार ने तो यह बिल बिना डिसकशन के पास कर दिया था, फिर इस बिल पर डिसकशन क्यों होगा? Are these arguments? Let us know why the Government is so afraid of facing the Parliament on such vital issues, on such vital legislations. If you want to repeal the legislation about HPCL and BPCL, what is the problem?

The second point that this Report had addressed was whether it was a core sector or not. The question is whether it is a core sector or not, whether it is a strategic sector or not. I quote the hon. Prime Minister's statement in the Parliament during President Putin's visit. I am quoting:-

"Cooperation in energy has a long term strategic significance for both our countries. Both sides will hold regular bilateral discussion through appropriate mechanisms on global energy production and supplies which impact on our energy security."

The Standing Committee welcomed this declaration and wished that oil and gas, as the major energy sources, be treated as a strategic sector. Is it that he will treat oil and gas as a strategic sector when he talk to the Russian President? When these poor fellows, these poor Parliamentarians--about whom, somehow or the other, the hon. Minister doesn't have a high opinion; 'I know about their knowledge' and all that--

question whether it is a strategic sector, they will say, "No, it is not a strategic sector". क्या है? ऑयल कोई साबुन का कारखाना है? You can sell as and when you want. We had also said in this Report that we are not against any competition. Yes, if that private sector wants to invest, let them invest, let them open refineries, new retail outlets. More employment opportunities will be there. More investment will be there. Why should there be acquisition or merger of a company which is running on profits, huge profits, नबरल।

Sir, in the strategic sector, so far as the costing is concerned, valuation is concerned, we have serious questions. It is not a question of corruption. Corruption is not individual corruption. It has been said many times that the Minister is honest. When institutionalised corruption is there and when everybody is questioning the valuation methodology, then, how can you stop it? He cannot justify the re-sale of a hotel with Rs. 30 crores extra plus a retail outlet. The Ministry of Petroleum does not know, IOC does not know and it has been sold alongwith that and how much money oil sector has given. What more do you want from the oil sector?

I just give you the figures. Sir, the Committee says that the oil companies have already contributed in a huge way to the national exchequer through disinvestment and through other means. The oil sector has contributed the largest share to the national exchequer through disinvestment. The total receipt from disinvestment of PSUs between 1991 to 2000 was to the tune of Rs. 26,148 crore. Out of this, 49 per cent, which is Rs. 1,2867 crore were realised from the oil sector. During 1998-2000, the oil sector contributed Rs. 7,217 crore, as against the total of Rs. 9,070 crore which amounts to the 80 per cent of the total receipts. What exactly do you want out of this oil sector?

Another problem is that if you are selling it, then why are you not allowing ONGC and IOC to bid for it? Sir, look at this. What has been done till now is privatising the profits and nationalising the losses. Yes, today itself, there was a question from Mr. Rajiv Ranjan on this Bhatinda Refinery which is part of HPCL and where construction is going on. Already the Government has taken a decision that it will be an option for the buyer, if you want to take over HPCL, भटिंडा रिफाइनरी में तो कंस्ट्रक्शन हो रही है। If you want to take it over, alright, if you do not want to take over, it will not be a part of that. उसको कौन चलाएगा? And some people have started telling कौन

चलाएगा ONGC or IOC. ONGC is an oil exploration company. Mr. Naik is here. There is a policy decision that stand-alone refineries cannot exist. If Bhatinda is a stand-alone refinery, without giving an access to the market, by stopping the bid of the ONGC for this marketing company and marketing outlets, if you takeover only Bhatinda, where will be the marketing access? How the stand-alone refinery theory can co-exist with the ONGC not being allowed to bid for the refinery as well as market. But tomorrow you are going to thrust that the refinery should be put on ONGC. Similar thing is with the IOC. So, this whole thing is cherry-picking being offered to the private sector or multinationals. What is the interest involved? If I say that it is honesty then what does this honesty business mean? We have seen in Paradip Phosphate case and other cases also - what type of theories are being put in place. In Paradip Phosphate case, it was sold at Rs. 151 crores. There is a post-disinvestment adjustment and as per that post-disinvestment adjustment, the company is said to have claimed another Rs. 151 crores. Since it was questioned here, it is still under consideration. But think, if that Rs. 151 crores is though adjusted - Mr. Minister is calculating - someone will get a company without paying a single pie. But it was justified. The sick companies are such that so much investments have to be made and so much financial restructuring has to be done. This is possible. I have got the records. Some time back, the Minister said how the performance has improved. 'Ashvathama hata itiaza' A comparison has been made of the Paradeep Phosphate's performance after disinvestment with the last year, i.e. April, 2002 to September, 2002. When this company is running, its percentage capacity utilisation is 97 per cent and before that it was only 46 per cent or 60 per cent. I have this annual report with me. In the year 1999-2000, Paradeep Phosphate's capacity utilisation of DAP-NPK plant was 105 per cent. If a company which was running at 105 per cent capacity utilisation in the year 1999-2000, can it reach a stage where without taking any money, you can hand it over to someone? What has been done is totally, absolutely and in true sense a selling of national asset without a pie and for that they do not want the Government and the Parliament to come into the picture. If this Government has any face on this issue, on the issue of disinvestment of profit-making undertakings and on the BPCL and HPCL, they must come to Parliament. Sir, for the first time I have seen that the officers' associations of BPCL and HPCL - normally they never come into the picture - have given a strike notice. How many strike notices are there from the employees of the BPCL and the HPCL? Let them check it up from the Ministry of Petroleum. What do they want? They



3.00 p.m.

want to wage a war against all the people who are against it. All the unions, workers, a majority of the political parties, professionals, intellectuals, engineers, etc. are against this selling of the profit-making undertakings. Because someone has got better debating skills, the national assets cannot be thrown away. I challenge this Government, if they have any face, let them come before Parliament and say, "This is what they want to do". Let them have a consensus or a referendum or a secret vote, either from the nation as a national referendum or from Parliament itself. If they do not do that, that means they are trying to run away from Parliament. Thank you.

**प्रो. रामगोपाल यादव (उत्तर प्रदेश) :** उपसभाध्यक्ष महोदय, अभी हमारे मित्र श्री दीपांकर मुखर्जी ने लगभग सभी पक्षों के नेताओं के बयानों की चर्चा करते हुए कहा कि अधिकांश लोग इस मत के हैं कि जो कंपनियां लाभ में चल रही हैं, उनका डिस-इन्वेस्टमेंट न किया जाए लेकिन समस्या यह है कि जब सरकार यह कह रही हो, जब माननीय मंत्री जी का यह मानना हो कि घाटे में चलने वाली कंपनियों को कौन खरीदेगा तो फिर इसका परिणाम क्या होगा? यह एक विचारणीय प्रश्न है।

महोदय, अभी हमारे मित्र रामचन्द्रैया जी ने कहा कि यह एक रिचुअल हो गया है कि हर बार ड्राफ्ट पर चर्चा होती है, डिस-इन्वेस्टमेंट पर चर्चा होती है। अगर हर साल सूखा पड़ेगा तो चर्चा होगी ही, अगर डिस-इन्वेस्टमेंट वाले मसले पर लोगों को यह लगेगा कि इसमें गड़बड़ी है या यह नेशनल इंटरैस्ट के खिलाफ है, लोगों के हितों के खिलाफ है तो हर बार इस पर चर्चा होगी। इसको कोई रिचुअल समझे या और कुछ समझे, लेकिन हम इधर बैठे हुए जो लोग हैं, वे यदि जन-आकांक्षाओं के अनुकूल यहां अपनी बात नहीं कह सकते हैं तो फिर वे यहां आते ही क्यों हैं? यह सदन लोगों के हितों की रक्षा के लिए है और खास तौर से जो अपर हाऊस है यह राज्यों के इंटरैस्ट की रक्षा के लिए है और जब-जब लोगों को यह अहसास होगा कि कहीं कोई गड़बड़ी हो रही है, सत्ता के शिखर पर बैठे हुए लोग जन-आकांक्षाओं के विपरीत जाकर, जनहितों के विपरीत जाकर सरकारी संपत्ति को औने-पौने दानों पर या कौड़ियों के मोल बेचने का काम कर रहे हैं तो हम लोग अपना मुंह बंद करके नहीं बैठ सकते। मैं माननीय मंत्री जी आपके माध्यम से यह कहना चाहूंगा कि तकनीकी दृष्टि से या उस सदन में संख्या के बल पर जन आकांक्षाओं को बुलडोज करने का प्रयास नहीं होना चाहिए। लोकतंत्र में अल्पमत की बात का सम्मान करना भी लोकतंत्र की सफलता का द्योतक माना जाता है। अगर बहुमत के बल पर मनमानी करेंगे, मुझे याद आता है एमरजेंसी में जब मंत्री जी इंडियन एक्सप्रेस में लिखा करते थे और उन्होंने Lord Acton को कोट करते हुए लिखा था "Power corrupts, and absolute power corrupts absolutely". तो लोगों की भावना क्या है, आम जनता क्या अहसास कर रही है डिस-इन्वेस्टमेंट से और अगर इसको बिल्कुल अनदेखी करके आप कोई काम करेंगे तो आप भी उसी रास्ते पर चल रहे हैं। बहुत सारी कंपनियों का, सरकारी परिसम्पत्तियों का

डिसइंवेस्टमेंट हुआ है। प्रणब दा ने शुरू में ही कहा था कि रेवेन्यू डिफिसिट को पूरा करने के लिए यह काम नहीं होना चाहिए। कोई भी परिवार का जो मुखिया होता है अगर अपनी किसी सम्पत्ति को बेचता भी है तो यह ध्यान रखता है कि उस सम्पत्ति से नया असेट्स जरूर क्रीएट कर ले जिससे उसके परिवार का भरण-पोषण होता रहे, रोजी रोटी मिलती रहे। माननीय मंत्री जी जब जवाब दे तो मैं यह जरूर जानना चाहूंगा कि जितना पैसा आपको मिला है उस पैसे का प्रयोग कहां हुआ है? क्या कोई नए असेट्स क्रीएट किए गए या केवल रेवेन्यू डिफिसिट को पूरा करने के लिए ही सारी लाभ की कंपनियों को बेचने का प्रयास किया जा रहा है? मैं उन चीजों का उल्लेख नहीं करना चाहता। लेकिन हिन्दुस्तान के विभिन्न समाचार पत्रों में, पत्र-पत्रिकाओं में ये बातें आती रही हैं कि किस तरह से एक परिसम्पत्ति को बेचने के बाद, डिस-इंवेस्टमेंट करने के बाद दूसरी सम्पत्तियां कुछ दिनों के बाद उससे ज्यादा पैसों में बेच दी गईं। आई.टी.डी.सी. बंगलौर के अशोका होटल को जो बेचा गया है लगभग उतना ही पैसा उसके एकाउंट में था। तो लाख दो लाख रुपए में पड़ गया जिसने इसको खरीदा है। अगर आम आदमी इसको पढ़ता है, आप कुछ भी यहां कहिए लेकिन 90 फीसदी आदमी जो आपकी ही लिखी हुई मेगजीन को पढ़ता है कि आई.टी.डी.सी. को जिसने खरीदा है उसको केवल दो लाख रुपए में पड़ गया, तो क्या इससे आपकी नीयत में संदेह नहीं करेगा। One should not only be honest but should also appear to be honest. यह आप हमेशा कहते रहे हैं और सारी दुनिया कहती है, हम कितने ही ईमानदार हो लेकिन एक्शन से लोगों को लगे कि हम बेईमान हैं तो बेईमान हैं। इसलिए मैं यह कहना चाहता हूं मान्यवर, कि यह जो प्रक्रिया है यह सरकारी सम्पत्तियों को बहुत सस्ते में बेचे जाना है। इसका इवेल्युएशन कैसे होता है? इसका सही तरह से इवेल्युएशन नहीं होता और अगर इवेल्युएशन होता है तो इतने टेक्नीकल टर्म्स आ गए हैं, अधिकारी बैठे रहते हैं, यह इतना परसेट इसका लॉस हो गया, उसकी इतनी कीमत कम हो गई, इतने वर्षों से यह फैक्टरी थी इसलिए यह हो गया। हम लोग अधिकारियों से एक जगह पूछ रहे थे कि आप इसको क्यों लेना चाहते हैं। उन्होंने कहा कि यह 660 करोड़ रुपए में ही मिल जाएगी और उसकी कीमत दस हजार करोड़ है। आप समझ लीजिए कि अगर उसको जनता में बेच दिया जाए तो 600 करोड़ की सम्पत्ति दस हजार करोड़ में बिक जाएगी। यह है इवेल्युएशन का तरीका। इसलिए श्रीमन्, आपके माध्यम से सरकार से मेरा अनुरोध है कि ये एच.पी.सी.एल. और बी.पी.सी.एल. लाखों लोगों को रोजगार देने वाली सरकारी कंपनियां हैं। ये लाभ में चल रही हैं। इनको डिसइंवेस्टमेंट करने का जो फैसला आपने लिया है वह किस दिन लिया है। 26 जनवरी एक नेशनल होली-डे है, उल्लास का दिन है और उस दिन इस पवित्र दिन में स्पेशली यह काम करने के लिए कैबिनेट बैठी और फैसला लिया। एक पवित्र दिन को आपने अपवित्र कदम उठाया, यह बहुत ही निंदनीय है। मैं फिर एक बार सरकार से आपके माध्यम से मांग करूंगा कि आप इस फैसले को बदले और जनहित में देश के लोगों की इच्छाओं का सम्मान करते हुए, नेशनल इंटरेस्ट का सम्मान करते हुए इस मुहिम को यही बंद कर दें। बहुत-बहुत धन्यवाद।

SHRI B.P. APTE (Maharashtra): Sir, I am grateful to you for this opportunity. Somebody mentioned that a Short Duration Discussion on this particular topic has almost become a ritual, and we are participating in it once more. Sir, as I look at this, I believe, any discussion on disinvestment cannot be divorced from the perspective of ideology and the perspective of

the initiation taken earlier to dismantle the mess. Rightly, therefore, my friend did not go into the question of ideology - of course, it is now dead - which led us into this mess, and from which we are coming out through this disinvestment. We started with the commanding heights, the dream of the 1956 policy which envisaged a socialistic pattern of society. Socialism was so predominant in our heads that we wanted to create a strait-jacket of ideology, and we made it compulsory on everybody to subscribe to socialism, if one wants to be active in politics. That ideology is now in a shambles, and understanding that, noting the great failure of the great Nehruvian consensus, his own successors started the process of dismantling it, in 1991. Sir, neither the policy of 1956 nor the policy of 1991 was the creation of those who are in power today. The 1991 policy went into disinvestment to raise resources, to encourage wider public participation and to promote greater accountability. Sir, this initiative...

SHRI PRANAB MUKHERJEE : You also say, what was said after that. After that, the sentence read, "only up to 20 per cent".

SHRI B.P. APTE: The process continued when the United Front Government came in 1996, and further steps were taken by that Government for strategic and trade sales of scores of public sector enterprises. Therefore, now, the question is about the rationale of disinvestment. Does the rationale say that only those enterprises are to be privatised which are not making profits or are making losses? Or, is it that the rationale was to privatise, to unburden, to lose something which you never expected to have? Sir, we have been saying all along that it is not the job of the Government, nor the intention of the Government, either to make bread or to run hotels or to run various services. I believe, the rationale, as put very correctly by the Chief Minister of Karnataka is the primary focus of this policy is to privatise those PSUs which we can and to close those which we cannot. That probably is the rationale and the perspective, whether profit making or not is a matter which is thoroughly irrelevant. The States of Karnataka, Maharashtra, Punjab, Rajasthan all of whom are run by the Congress Party are following this policy and therefore, this policy is rightly described as a consensus in practice. Today, we are told that this party is opposing and that party is opposing. I believe this attitude that if I do it, it is right and if you do it, it is wrong, is not a healthy approach. Between 1991 and 1992-1999, when this Government was not there, and probably everybody else was involved, up to 1996 and then up to

1999, 39 enterprises were disinvested, out of which, 37 were profit-making. What is the rationale behind this? And what is the rationale of the Opposition today? I am not saying that that disinvestment was wrong. I am saying that these double standards are incorrect. In such matters, we have to be intellectually honest. And, therefore, if something was good earlier for me, unless I say that that was a mistake, then 37 profit-making enterprises can be disinvested earlier and now profit-making enterprises cannot be disinvested. This approach defies logic. As a matter of record, between 1999 and 2003, 34 enterprises were disinvested, out of which, 25 were loss making and 9 were profit making. I am not saying who did what. But the real question is what is the rationale of this disinvestment and if that rationale is to transfer the management and initiative to the private sector for the good of the economy, then, the best deals which the Government can go through, should be gone through. Here, the question of Executive accountability is raised. Sir, we are guided and controlled by our Constitution, which in a way is a complete document. And if any Government established by law and functioning according to law has to take any step and if the Constitution ordains that that Government had to take the approval of the Parliament, no Government can do without the approval. For example, while enacting article 73, the Constitution did envisage the extent of the Executive power which in large areas is co-extensive with the Legislative power unless there is a contrary legislation. I believe, Executive accountability is guaranteed by the Constitution and no Government can go beyond the provisions of the Constitution. Sir, everybody knows this because after nationalisation, 49 per cent of HPCL shares were disinvested and 44 per cent of BPCL shares were also disinvested. Of course, what happens to those proceeds, something which Pranab da rightly said that the whole amount - crores of rupees - went into revenue expenditure. The point is, there was disinvestment, though partial, without going to Parliament, without an enactment under the provisions of the law of the land. In this context, again it is said, why the Government should feel shy of facing the Parliament. The Government is not feeling shy because the Government is facing the Parliament and, on this issue, again and again, so much has been said that somebody even thought that this has become almost a ritual. Therefore, the question is not whether the Government is feeling shy in facing the Parliament. In matters of governance, we have the Legislature, we have the Executive and we have the Judiciary. We went to the judiciary. We take every matter to the judiciary these days; the judges become active. This matter was also taken to the judiciary in the BALCO

case. The judiciary examined the procedure and the rationale, and found that there were some things with which the Executive had to deal with and there were certain things with which the Judiciary had to deal with. There are limits to judicial review. Therefore, facing the Parliament is one thing, but meeting the constitutional challenge is another. All these, including the exercise of the Executive authority, come together, and all these are balanced. All of them are within the framework of the Constitution. I believe that the steps the Government are taking today are within the framework of the Constitution, and they are perfectly legal and valid; and every such step is not referred to the Attorney General, as this one was referred to. If recent history teaches us something, we find that disinvestment of certain enterprises has given better results for the economy, for the workers and for those enterprises themselves. What happened to BALCO? What happened to the Modern Food Industries Ltd.? What happened to the workers there? What happened to the investment there? What happened to the Government which opposed this? How is that Government now wanting expansion of that very industry in its own State? This recent history can educate us to look towards the future and even to look into the disinvestment of both the BPCL and the HPCL. Sir, the question about the proceeds of disinvestment is something which is really important. Yes, if all the money raised because of disinvestment goes into the bottomless pit of the Government expenditure, it will not be desirable. I found an assurance in the earlier Budget Speech of the hon. Finance Minister and I would certainly draw the attention of the hon. Minister of Disinvestment to that. I would like to know from him the steps the Government would take on this. The assurance is that the entire receipts from disinvestment and privatisation will be used for meeting the expenditure on social sectors, restructuring of PSUs and retiring public debt. I believe, if that is done, if that is assured, then the present stage of economic reforms, with this disinvestment, will take us to a better situation economically and, therefore, nationally.

SHRI K. RAHMAN KHAN (Karnataka): Mr. Vice-Chairman, Sir, the Government is going to disinvest the two *Nav Ratnas*, i.e., BPCL and HPCL. One is going to be disinvested through the IPO route and the other is going to be disinvested through finding a strategic partner. Now the question is whether the Government is really going to be benefited from disinvestment of these two profit-making undertakings. We are not sure about it because the earlier experience of the Government was, when they had taken the IPO

route, the realisation was not to their expectation. The institutional investors are not very keen because of the depressed market conditions. So, the IPO route for BPCL is not going to benefit. I would like to know from the hon. Minister as to how much they are expecting through disinvestment of BPCL, through IPO route. These two companies itself constitute nearly 35 to 38 per cent of the total oil sector. Then, why is the Government going in for disinvestment? I am not going into the details of the policy decisions, but I would like to know from the hon. Minister whether it is the ultimate intention of the Government to do away with all the public sector undertakings. If not, then, why were these two big corporations selected? These corporations have been selected for disinvestment because they are the best public sector undertakings, because the Government has not invested a huge capital in them. Hardly the investment of the Government is only Rs.45 crores, whereas the net worth of these two corporations is more than Rs.100,000 crores. I would like to know from the hon. Minister whether these two corporations are giving profit to the Government or not. The annual net profit of these two corporations put together, after paying taxes, is Rs.2,000 crores. Then, why is the Government thinking of disinvesting these two corporations? The net earning capacity of each share is around Rs.35. Then, why is the Government going to sell these public sector undertakings? They also say that the public sector undertakings which are profit-making, they are running very well and that is not a worrying factor. As has been said here, the reason for selling these corporations is this. "The shareholders of Bharat Petroleum have every reason to feel aggrieved that the manner in which the Government has handled the proposed disinvestment issue. The only gainer of this rather muddled approach of the Government would be the vested interests that have an eye on the control over the company and would like to have it at their terms". Then, the only beneficiaries of this disinvestment may be the domestic companies that have an eye on gaining control over BPCL and HPCL because these are strategic companies. The bidders for these companies will not be many. There will be only a few bidders, unless you again invite multinational companies into this. Within the country, there will be a few bidders for these two big corporations. When there are very few bidders, it will go to certain vested interests only. Certain vested interests have already shown their interest to participate in the bidding of these oil companies. The Government has to tell the Parliament and the nation as to what are the compelling reasons for selecting only these two public sector undertakings for disinvestment. As Prof. Ram Gopal Yadav has rightly said, a decision on disinvestment was

taken on 26<sup>th</sup> January by the Cabinet Committee on Disinvestment and no reasons were given because the Government has not realised the required amount for disinvestment, as it had anticipated. The total target fixed for disinvestment right from 1991 to 2002 was Rs.78,000 crores and this Government, the NDA Government since the time it has come to power has fixed a target of about Rs.52,000 crores. So far they have realised only about Rs.18,000 crores. So, they are disinvesting these two major public sector oil companies which have a wide network of outlets and it is impossible for anybody to come and carry on this network which they have acquired only for Rs.43 crores. Today these two companies if put together have got a reserve of Rs.9,000 crores. After disinvestment, the oil sector itself has given them Rs.18,000 crores as surplus. The major revenue which has come, it has come only from the oil sector. Now, because you have not reached the target and you want to reach the target, there are no other public sector undertaking, the loss-making units which you can disinvest to reach the target, you are putting your hands on these two major public sector oil companies. You are always saying that it is the prerogative of the Government and it is the power of the Executive and there is no need for you to come to the Parliament even when the acquired unit has been created by an Act of Parliament. All that is left to the Government. But the people of this country and the Parliament have a right to know why the Government is in a hurry. So, the Parliament and the people would like to have the reason why these assets of about Rs.1,01,000 crores worth are being given to the private sector and what is that amount which they are expecting?

[THE VICE-CHAIRMAN (SHRI P. PRABHAKAR REDDY) in the Chair]

The hon. Minister says that the process of disinvestment is there. They say that there is transparent method of disinvestment. Yet we have seen in the past that in spite of their claiming transparency what happened in the case of Centaur Hotel. A private party made a huge profit. Where is the transparency? Here also because this is not a monopoly sector now. You have opened up it. As Mr. Dipankar Mukherjee rightly pointed out, let new people come, let there be competition. But why should there be disinvestment? Can you not rethink when these two companies are giving you the best of the returns, which you cannot expect, even from a company in the private sector? It is national wealth. You cannot create assets worth Rs.1,00,000 crores. What is that you are anticipating? You should have

formulated to see that if we disinvest, we may be able to get so much of revenue. At least, you should tell this to Parliament that this is how much you are expecting from these two corporations. Till you call the bids or you have the strategic partners, identifying them and before appointing advisors, the Disinvestment Ministry must have come to certain conclusions about the overall broader picture as to how much can be realised after disinvesting these two units. The Minister should inform the Parliament as to much they are expecting. They may get or they may not get, but what is their expectation? We should be informed about it.

THE VICE-CHAIRMAN (SHRI P. PRABHAKAR REDDY): Mr. Rahman Khan, your time is over. Now, you have to conclude your speech.

SHRI K. RAHMAN KHAN: I am concluding. So, finally, in the public perception, disinvestment has acquired more political colour. Economics does not matter. Forget the gains accruing to the exchequer. As has been mentioned by various hon. Members, no accounts are maintained. All disinvestment proceeds are going into the general revenue. So, it is not creating further assets. We are selling the assets to meet our revenue deficit. That is not a good thing for the economy. I would urge upon the hon. Minister of Disinvestment that there is a need for the Government to have a re-thinking on disinvesting these two major public sector undertakings which are the pride of the country. Thank you.

SHRI S. VIDUTHALAI VIRUMBI (Tamil Nadu): Mr. Vice-Chairman, Sir, we are discussing here about the disinvestment of our profit-making public sector units with special reference to HPCL and BPCL.

Sir, the mixed economy came into being in our country in the second half of the 50s. In the mixed economy, we were able to acquire the know-how, technology, from the developed countries and we have developed our nation. But, now, most of the developing countries are becoming markets for the products of the developed countries. Our nation has accepted the concept of socialism and incorporated the same in our Constitution. Sir, now, as it is, the concept of socialism is one of the basic structures of our Constitution. Under the Directive Principles of our Constitution, Article 39, clause (b) says, "The State shall, in particular, direct its policy towards securing that the ownership and control of the material resources of the community are so distributed as best to subserve the



common good." This is the basic tenet of our policy. Sir, we know that no nation can be isolated from the world wind. The developed countries have agreed to invest in developing countries to the tune of 0.75 per cent of their GDP a decade ago. But they have failed. Our projection, after globalisation and liberalisation and even in the 10<sup>th</sup> Five Year Plan, is to have 8 per cent growth of the GDP. According to the C.S.O., during the last year, we were able to achieve only 4.4 per cent growth of the GDP. This is the situation. In 1974, the ESSO (Acquisition of the Undertakings in India) Act, has, actually, created HPCL. In 1976, the BPCL was formed after taking over Burma Shell Oil Storage and Distribution Company (India) Limited. In 1975, we have introduced the Administered Price Mechanism. But, in April, 2002, the Administered Price Mechanism for the petroleum sector was dismantled. This is the situation. After this, if disinvestment takes place, the Government's equity, to the best of my knowledge, would be brought down to 12 per cent in the HPCL and 26 per cent in the BPCL. The Government's shareholding would be divested to the tune of 34.1 per cent in the HPCL and 35.2 per cent in the BPCL. Employees were left with 5 per cent of that. I hope the hon. Minister will enlighten us about the fate of refineries. Sir, some profit-making units became loss-making units because of the mismanagement. Take for example the Salem Steel Plant. Till 1996, it was a profit-making unit. Then, the management decided to take a loan of Rs. 800 crores from the bank. After that it started making losses, and it became a loss-making unit. Had they taken the money from the internal resources, it would not have met with such a fate. It clearly shows that it was due to mismanagement. They wanted to privatise it also. So, the Government will have to take into consideration certain things. First, the Ramakrishna Commission, while dealing with this issue, had recommended that the privatisation should be delinked from the Budget proposals. But, from the very beginning, it was not adhered to. I don't want to go into the reasons for that because of the time constraint. Second, the amount realised through the process of disinvestment should be utilized only for capital expenditure, not for the revenue expenditure. The security of the nation is of utmost importance, especially during the time of war. *(Time-bell)* Sir, I will conclude within a minute or two. Third, stability of prices; four, generation of employment. So, these are three areas, that is, security of nation, particularly, during the war; stability of prices; and the generation of employment, which should very consciously be taken into account by the Government. Here, I would also like to make it very clear that without the active and willing participation of employees and workers no project, no

concept, no strategy, no policy would succeed in any nation. Active and willing participation of employees and workers is essential for the success of any project. Therefore, I request the Government to take into confidence the workers and employees; and, take decisions based on the opinion given by the workers and employees. Only then you can succeed. With these words, I conclude, Sir.

SHRI PREM CHAND GUPTA (Bihar): Thank you, Mr. Vice-Chairman, Sir. After the Independence, we had to import everything as the industrialisation of the country was almost at its infancy. We had no industry. At that time, keeping the circumstances in view, the then hon. Prime Minister, Late Shri Jawaharlal Nehru, had conceived the idea of PSUs. But over the period of time because of red-tapism, corruption, mismanagement and Government interference, our public sector undertakings started losing ground. Lately, with the change in global trade scenario, we decided that we should go in for disinvestment, particularly the disinvestment of those units that were making heavy losses. We started with the idea of 'loss-making units'; and, with a clear understanding that the proceeds received out of disinvestment would be used for creation of new infrastructure creation of industrial base and using the funds for proper planned development of the country. Sir, I would like to draw the attention of the hon. Minister to an article which appeared in *Pioneer* on 23<sup>rd</sup> December, wherein he said this and I quote: "disinvestment proceeds to be provided and used completely for continued commitment and utilization of investment proceeds for social and infrastructure sector." But, Sir, where is the visibility? There is no visibility. You had promised that a complete visibility of the use of these funds would be provided, but we don't see anything. So far, we are in absolute darkness. The people don't know where the funds are being utilized. As long as the funds are used in a proper manner, as long as the disinvestment process is a visible process, nobody would have any problem in accepting it. But, Sir, you have started selling your earning units. These two companies are among the top ten most earning public sector undertakings of India. Their rankings are 7 and 9. We don't know the reasons which compel you to go in for disinvestment of HPCL, which is earning Rs. 1,088 crores per year. BPCL is earning Rs. 820 crores per year. But you are thinking of disinvesting that also? What for? We don't understand it. If the Government wanted to come out of the oil business, then, there was no reason for the public sector undertakings to participate in the disinvestment process of Cochin

refinery. In Cochin Refinery, Bharat Petroleum participated and paid a sum of Rs. 659 crores. In the disinvestment of Chennai Petroleum Corporation, Indian Oil Corporation participated and paid Rs. 509 crores. In the case of Bongaigaon Refinery, Indian Oil participated and paid Rs. 149 crores. In the disinvestment of IBP, Indian Oil Corporation paid Rs. 1,153 crores. If the Government had to come out of this vital sector, why did it invest in these companies? Oil is a very important sector, Sir. It has a strategic value; importance. Sir, if you remember, a few days ago, the Central Government decided, keeping the war clouds in view, that the country should go in for 45 days oil reserve, at a cost of Rs. 5,000 crores. When our oil sector is so important, then, what is the compulsion on your part to go in for disinvestment of these two highly earning public sector undertakings? This is not understandable. In any case, Sir, whenever you go for disinvestment process, certain factors like, market situation, are kept in view. When the shares of a company are sold, the market situation is kept in view. The world is passing through the worst time because of the September 11<sup>th</sup> incident and because of the possible threat of Iraq war. And you want to disinvest now ? Why? You have been selling public sector undertakings and we have always been raising a lot of allegations in both the Houses of Parliament. We all fail to understand what your compulsions are. When an announcement is made that the Government has to achieve a target of Rs.12,000 crore in so and so year, the buyers feel happy. They know that you will have to sell it to meet your Budgetary allocations. It is advantageous for them. But it is beyond anybody's apprehension as to why you are doing this.

HPCL came into being in the year 1974 and BPCL came two years later. Since inception, these two corporations have been earning huge profits. We are not able to understand why you want to sell these units. In the past, when Modern Food Industries Ltd. was sold, a lot of controversy arose. Even the CAG castigated the Government for the process which was adopted to sell the Modern Food Industries Ltd. Even in the case of BALCO, the CAG was critical of the Government because there was no transparency. I do not know why the Government wants to repeat the same thing. Nothing is clear, and they want to go in for disinvestment of two public sector undertakings which are strategic in nature. *(Time bell)* At the same time, the disinvestment process is not clear. There should be clarity. There should be transparency. Parliament has a right to know what your compulsions are. Why do you want to go in for this? Even the NDA allies are not happy about it.

SHRI V.V. RAGHAVAN (Kerala): Mr. Vice-Chairman, Sir, now, the NDA is not only for PSU disinvestment, it is out to demolish the basic structure of our self-reliant economy. Otherwise, it would not have dared to touch the oil sector. It is a very important sector. Oil and petroleum sector are doing very well. They are earning huge profits. You can check up the figures. Figures are available with you. After deducting the tax, the net profit earned by the oil and petroleum companies is Rs.12,749 crores a year. And, through strategic sale, you want to hand over them to the corporate sector. It is not in the national interest. No; Sir, this will not be allowed by the nation. As you know, economy not only of capital, it also includes poor people, workers and officers. They all are dead against it. A considerable section of your allies are also against this. Are you going to declare a war against all of them? But without the cooperation of working class, without the cooperation of officers, without the cooperation of the intellectuals and economists, you cannot win. Without their cooperation, you cannot do it. My learned friend from the Treasury Bench was saying about the Nehruvian era. Thanks to Pandit Jawaharlal Nehru that we are now economically self-reliant, because of strong public sector units in the core sector, even the private sector units are thriving by it. Ask Tatas, ask Reliance, ask Birlas; they have all utilised this sector, public sector for steel, for oil, for heavy machineries, heavy engineering. All these public sectors were built as a very basic structure for a self-reliant economy, to fight the Americans, to fight the British, to fight the developed and imperialist nations, and we fought. We made history in every sector because of this basic economic structure. That is our power, that is a political power. Without the basic industry, you cannot have a political power and you are demolishing it at the diktat of the Americans, of the developed countries, in the name of 'globalisation'. Globalisation is nothing but a new kind of imperialist penetration, and you are succumbing to it as the working class have realised it and they are rising against these anti-national activities. So, do not be under the illusion that you can sell the country, you can sell these profit-making oil companies. No; you cannot. You will feel the pulse of the working class on the 26<sup>th</sup> here in Delhi. They are coming in lakhs just to warn you, and if you are not going to listen to them, if you declare a war on all fronts, I say you will not succeed Mr. Shourie, you are not a Disinvestment Minister, but you are a Demolishing Minister. Your Ministry is now called, "The Ministry for Demolition of our public sector enterprises".

Sir, what is the logic in denying the ONGC for taking part in the bidding? Is there any convincing logic in it? If the money is needed, you

can say so. You have stated that Rs. 80,000 crores will be mobilised during the Tenth Five Year Plan. Mobilisation of Rs. 80,000 crores means that everything will be demolished, and if you are in need of money, the ONGC is prepared to give you the money. Why do you debar them? Whatever money you will get from the strategic sale of these companies from the Reliance or from any other corporate sector company, the ONGC is ready to give you, even a thousand more. Then, why are you denying them that opportunity? Convince us, convince the nation, convince the working class. So, the move is quite clear. You want to help the corporate sector, help the private sector and you want to demolish the public sector. Now, this country will not allow you to do that. This country will fight, fight till the last. You had stated that during the next five years, you would disinvest to the extent of Rs. 80,000 crores. And, let me tell you, for this reason alone, you will not be there again for five years. If you say to the people that 'we are going to disinvest to mobilise Rs. 80,000 crores', then, people have every right to say, 'well you keep away'.

Sir, let me remind you one important thing. I know my time is very short. The Vice-Chairman has been very kind to me.

THE VICE-CHAIRMAN (SHRI P. PRABHAKAR REDDY): Your time is already over.

SHRI V.V. RAGHAVAN: Sir, I would say one very important thing and after that I would conclude.

Sir, when we think of oil companies, is it time to forget the past? Remember the 1971 War, remember the 1975 War. We fought two wars and won. Then what did these oil companies do? At that time, the oil companies were owned by the ESSO, the Caltex, the Burmah Shell. What they did? Our Defence Services will tell you what they did. They stabbed on the back, and then Mrs. Gandhi daringly nationalised the oil sector. Until this time, it was owned by the ESSO, the Burmah Shell and Caltex. Now, we are again going to sell it to the corporate sector and through them to the multi-nationals.

Sir, I am thankful to you for giving me this opportunity. So, I urge upon the Government, I urge upon the Treasury Benches to think over it again, think over it, at least, ten times, and reconsider this step. Thank you.

THE VICE-CHAIRMAN (SHRI P. PRABHAKAR REDDY): Shri Ramachandra Khuntiaji, your party's time is already over. We can give you just two minutes.

SHRI RAMACHANDRA KHUNTIA (Orissa): Hon. Vice-Chairman, Sir, I just want to put a question to the Government, to the House and the people of this country, whether we should appreciate a son who is regularly bringing grocery to the house by selling the land and gold which his father and grand-fathers had preserved for the family. If we say that this son is right, then we can say, what the present Government is doing now is right. Sir, the Congress Government's socialistic principle in the year 1953-54 and also after that was mentioned here in the House. I want to mention that the Government, while condemning some of the acts of the Congress Party, has failed to appreciate the principal of Hon. ex. P.M. Nehru, who started the public sector in this country and created huge assets in the country which you people are selling now. If the public sector was not there, the assets were not created, then what would have they sold? They would have sold the soil of the country. The assets, created by the Congress, are being sold by these people, who have not created any asset; who have not put any industry in the country. These people have no right to sell the public sector. Sir, something has been said about the principle of the Congress Party. The principle of the Congress Party is very clear from the Bangalore AICC session that Congress is opposed to sale of more than 51 per cent of the public sector equity. The Congress principle is clear. The decision taken under the Chairmanship of our leader Smt. Sonia Gandhi in Mount Abu is that Congress Party strongly opposes the selling of the profit-making public sector. Mrs. Sonia Gandhi's principle is clear that we do not oppose reform, but reform is rumour. Sir, coming back to the declining performance of the BALCO and the Paradeep Phosphate that has been mentioned in the House, I want to just ask a question. Is it right that after selling Paradeep Phosphate and BALCO and other public sector units, the Government is getting more dividend; the Government is getting more return. If that is not so, I think, what they are doing is, in no way, helpful to the Government. I want to mention here one more point. In the same context, Government want to disinvest the profit making NALCO. With BPCL and HPCL, NALCO is being proposed for sale in Orissa also. NALCO is also a profit-making public sector like HPCL and BPCL. it is earning profit; it is giving dividends. It has better prospects because natural resources are available in our State. I want to inform this House that 70 per cent of

4.00 p.m.

bauxite is available in India, particularly in our State, Orissa; it is also of very good quality and it contains 40 per cent of silica, that is rarely available in the whole world. Sir, I mention here that aluminium that NALCO produces is about 100 dollars per tonne and the net cost of production of the industry is 140 dollars, it means NALCO's cost of production is less and it is the lowest in the whole world. Sir, it has been said by our Disinvestment Minister that the NALCO's profit may come down in future. It has come down. It has come down not because of the bad performance of NALCO; it has come down because of the wrong decisions of the Government by taking over a private sector unit belonging to the Mukund company. That is the reason why NALCO's profit has come down, but not by the performance of NALCO. *(Time-bell)* I want to compare the performance of NALCO with HINDALCO. HINDALCO is a private company. In 2001-02, NALCO's gross sale was Rs.2,386 crores, and in the case of HINDALCO, the sale was Rs.2,860 crores. In 2000-01, NALCO's sale was Rs.2,406 crores and HINDALCO's sale was Rs.2,584 crores. Now, I come to the question of ratio of profit after tax. In the case of NALCO, the capital employed is 12.19 per cent, and in the case of HINDALCO, it is 9.5 per cent. In the case of NALCO, the return on capital employed is 19.11 per cent, and in the case of HINDALCO, it is 14.55 per cent. If you compare the performance of these two companies, you will find that the performance of NALCO is much better than HINDALCO, and the Government wants to sell NALCO to HINDALCO. Sir, I do not want to take much time of the House on this issue. I say that this Government has no right to sell the public sector companies and then spend the proceeds of such sale for the day-to-day expenditure of this Government. I believe that this Government is not sincere. You see, they have created the Ministry of Disinvestment and the Department of Disinvestment. If there is a Disinvestment Department and a Disinvestment Minister, why is there a Public Enterprises Department? Here is a Disinvestment Minister, and the Disinvestment Department. There is a Disinvestment Commission also, and the expenditure on this account is being met from the public exchequer.

Now, I come to the social sector. The Government wants to spend money in the social sector. I just want to draw the attention of the House to one thing. It has been said by many Prime Ministers on the floor of this House that about 60 per cent of the money which is being spend in the

social sector by the Government, is not reaching the actual beneficiaries. If the money is not reaching the real people, what is the point in spending more money in the social sector? I do not say that we should not spend money in the social sector. Rather, the allocation of money for the social sector should be increased, but not at the cost of the public sector, by selling the public sector. For this purpose, the Government should earn money; they should collect the revenue, and then spend the same in the social sector. I think, that will be appreciated by everybody. Sir, once again, I oppose the privatisation of HPCL, BPCL and NALCO. Thank you.

SHRI SHANKAR ROY CHOWDHURY (West Bengal): Mr. Vice-Chairman, Sir, as many speakers before me have mentioned, the debate on disinvestment comes around periodically on various issues, on various occasions. This time it has come around on the issue of HPCL and BPCL. Now, at least, I do not hold a brief for the public sector or the private sector. But, I think, this debate is recurring, from time to time, because of a general sense of unease, which is prevailing over the country, and the unease, frankly is, on three issues. Where are the proceeds of the disinvestment going? Are they spent on infrastructure? Are they going to create a safety net for workers? Are they going for retraining the workers? Are they going for repayment of public debt or are they going, as has been alleged by many of my colleagues, on revenue expenditure? The second cause of unease has always been the process of valuation. The hon. Minister for Disinvestment has explained on more than one occasion the four procedures which have been adopted to value a company. But, from time to time, certain aberrations, certain distortions, certain incidents take place, and this unease again crops up, which is reinforced. The third cause of unease, which I think, is one of the most important cause is the strategic sector. It has been defined, from time to time, re-defined, re-redefined and again defined. So, today, when we are dealing with the energy sector, is the energy sector a strategic sector or not? The original principle of disinvestment was that the Government has no business to be in business, except in the strategic sector. Now, Defence is a strategic sector; nuclear energy is a strategic sector, Railways are a strategic sector; is energy a strategic sector or not? If so, why are we carrying out disinvestment in a strategic sector? These are the causes of unease, which is, I think, the reason why this debate keeps recurring from time to time on various occasions, whenever various companies come up for disinvestment. As I said, disinvestment is based on the principle, 'it is not the Government's



business to be in business.' I think, the origin of this statement is outside this country, under an economic environment, which does not perhaps apply to this country; because, at this point in time in the 21<sup>st</sup> century, when we are attempting to put into practice this principle, 'it is not the business of the Government to be in business', I do not think we are taking account of the fact that this is being put into effect in an environment where a substantial public sector already exists, and therefore, I think to follow a principle, which really does not apply one hundred per cent to our environment, is creating this lack of cohesion, lack of consensus and general unease in the country. Are we going in the right direction? It is not a question of public sector versus private sector. As consumers, what we want is product, what we want is efficiency, and I must say that those of us -- I think all of us -- who have been exposed to the public sector in the days of its monopoly, at least in the service sector -- banks, airlines -- have realised that it was an extremely inefficient organization, at least to the user. Now, perhaps under the pressure of competition, perhaps under the threat of privatization, I do see that the public sector in the service areas has certainly improved a lot. So, perhaps there is something to it. I think the Government may like to consider adopting, as some of us have been saying, a via-media model, an Indian model which has been mooted by various sources from time to time, that is, those public sector companies which are in the strategic sector; and we must now lay down definitely what the strategic sector is. These should be managed by a holding corporation. This idea has been mooted in several instances. The Government could perhaps consider setting up a holding corporation in which the modality would be -- you privatize the management, but do not privatise the company; and let the profits which are coming from the profit-making PSUs in the strategic sector continue flowing into the Government, but divest the Government of direct responsibility for the day-to-day overseeing of commercial operations. Let this be a holding, something on the lines of financial restructuring being carried out in other areas like UTI etc., and let this sense of unease be removed. Let us get the benefits of a well-run public sector in the strategic areas, and as far as the non-strategic areas are concerned, we can then consider seriously privatization of the non-strategic areas, provided our other concerns of valuation and utilization of proceeds are met to the satisfaction of the Parliament.

**श्री संजय निरुपम (महाराष्ट्र) :** उपसभाध्यक्ष जी, मेरे पास कुल चार-पांच मिनट बोलने के लिए होंगे। मैं इतने समय में चार-पांच मुद्दे विनिवेश मंत्री श्री अरुण शौरी जी के समक्ष

रखूंगा। हालांकि मुझे यह भी मालूम है कि हम कुछ भी कह ले, अरुण शौरी जी वही करेंगे जो वे चाहते हैं। पिछले सत्र में भी इस सदन में डिस-इन्वेस्टमेंट पर चर्चा हुई थी। उस चर्चा के दरम्यान मैंने होटल संतूर के बारे में कुछ बातें रखी थीं। विशेषकर उसके री-सेल के बारे में उन्होंने स्वीकार किया कि मैं लीगल ओपिनियन लूंगा। आज तक पता नहीं कि उसके बारे में लीगल ओपिनियन आई है या नहीं आई है, सरकार ने इसके बारे में आज तक मुझे बताया नहीं है।

**उपसभाध्यक्ष (श्री पी. प्रभाकर रेड्डी) :** यह उनकी रिप्लाय में आयेगा।

**श्री संजय निरुपम :** एक ओपिनियन मैं खुद पढ़ चुका हूँ। उस ओपिनियन में साफ-साफ कह दिया है कि री-सेल गलत है। गवर्नमेंट आफ इंडिया को दोनों पार्टियों के खिलाफ एक्शन लेना चाहिए। लेकिन इसके बारे में आज तक मुझे बताया नहीं है। जितने जोर-शोर से एचपीसीएल और बीपीसीएल के बारे में प्रेस कॉन्फ्रेंस करके बताया जाता है, उतना जोर-शोर से कभी नहीं बताया गया। इसलिए मैं एक आरोप लगा रहा हूँ कि पार्लियामेंट को बहुत गंभीरता से नहीं लिया जा रहा है। बिल्कुल उसी तरह से एच.पी.सी.एल. और बी.पी.सी.एल. के बारे में अटार्नी जनरल की ओपिनियन ली जानी चाहिए, ऐसा विचार आया और सरकार ने ओपीनियन ली। बाद में अखबारों में यह बताया गया कि जो ओपीनियन है, वह इस फेयर में है कि एच.पी.सी.एल. और बी.पी.सी.एल. का डिसइन्वेस्टमेंट करते समय सरकार को संसद में जाने की जरूरत नहीं है, संसद का अप्रूवल लेने की जरूरत नहीं है। उस ओपीनियन की कॉपी मेरे हाथ भी लगी है। मैं बहुत बड़ा अंग्रेजी का विद्वान नहीं हूँ, अरुण जी बहुत बड़े विद्वान हैं। लेकिन थोड़ा बहुत जितना मैं समझ रहा हूँ - मैं बहुत ज्यादा लीगल मैटर्स को समझने में ऐक्सपर्ट नहीं हूँ लेकिन जितना समझा है, वह मैं चाहूँगा कि आपके माध्यम से मंत्री जी के समक्ष रखूँ। एटार्नी जनरल ने लिखा है कि "The sole question on which my opinion is sought is whether the inprincipled decision of the Government of India of disinvestment in HPCL and BPCL requires parliamentary legislation or parliamentary approval." आगे कहते हैं, वह शिकायत कर रहे हैं "My opinion is not sought about the legal merits of the ultimate decision or the actual course of action that the Government may adopt to effectuate disinvestment in HPCL and BPCL. That would depend on the provisions of the Shareholders' Agreement between the Government of India and the selected strategic partner, and the terms of conditions that may be imposed, and the modalities that may be devised, devised for ensuring the Government control and the voice in the management of the HPCL and BPCL." अर्थात् अटार्नी जनरल ने साफ साफ शब्दों में कह दिया है कि मुझसे बहुत ही लिमिटेड क्वेश्चन पूछा गया था, अगर विस्तार से पूछा जाता तो मैं विस्तार से जवाब दे सकता था। यह इतना महत्वपूर्ण विषय है - एच.पी.सी.एल. और बी.पी.सी.एल. का डिसइन्वेस्टमेंट कोई छोटा सा विषय नहीं है। इतना महत्वपूर्ण विषय है, उस महत्वपूर्ण विषय पर अटार्नी जनरल से इतना लिमिटेड क्वेश्चन नहीं पूछा जाना चाहिए था, विस्तार से उनका जवाब मांगना चाहिए था। इसको पढ़ने के बाद मैंने एक अनुमान लगाया है कि अटार्नी जनरल के पास एच.पी.सी.एल. और बी.पी.सी.एल. के

डिसइनवैस्टमेंट के बारे में, उसकी लीगलिटीज के बारे में बताने के लिए और भी बहुत सारी बातें हैं। अगर बहुत सारी बातें हैं तो उस व्यक्ति से पूछा जाना चाहिए क्योंकि वे एक लीगल एड हैं, वे हमारे देश के चीफ लीगल ऑफिसर हैं। इस नाते उनको एक मौका दिया जाना चाहिए कि वे अपनी बात इन दोनों पब्लिक सेक्टर के डिसइनवैस्टमेंट के संबंध में रखें और इनके संबंध में जो सरकार निर्णय लेना चाह रही है, उस निर्णय पर या तो वे अपनी सहमति दें या उसका विरोध करें। लेकिन जो भी है, उनकी बात निकलकर सामने आनी चाहिए। इस नाते मैं आपके माध्यम से सरकार से अनुरोध करूंगा कि अटार्नी जनरल को राज्य सभा में बुलाया जाना चाहिए और संसद सदस्यों के डिसइनवैस्टमेंट से जुड़े हुए जो सवाल हैं, उन सवालों को उनके समक्ष रखने का हमें अधिकार मिलना चाहिए, हमें मौका मिलना चाहिए। उन सवालों का जवाब वे जब देंगे तब उसके बाद समझ में आएगा कि सधमुच लीगली यह सही है या गलत। यह मेरा सरकार से पहला निवेदन है। हमने डिसइनवैस्टमेंट की पॉलिसी को स्वीकार किया है, उस नीति को एन.डी.ए. का सदस्य-होने के नाते बिल्कुल स्वीकार किया है। लेकिन मैं याद दिला देना चाहता हूँ कि जब महाबलेश्वर में हमारा शिविर हुआ था, उस शिविर में शिवसेना ने साफ साफ शब्दों में कहा कि डिसइनवैस्टमेंट की नीति इस तरह से लागू की जानी चाहिए जिससे कम से कम लेबर असुरक्षित न हो, मजदूर वर्ग असुरक्षित न हो और इकॉनॉमिक रिफॉर्म के नाम पर सारी की सारी प्रॉफिट मेकिंग कम्पनीज को बेचने की कोई जरूरत नहीं है। विशेषकर अगर स्ट्रैटिजिकली इम्पोर्टेंट सेक्टर हो, तो उनको बेचना ही नहीं चाहिए। इस तरह का हमने प्रस्ताव पारित किया। उसी प्रस्ताव के आधार पर, मैं आपके समक्ष एक बार फिर से बताना चाहता हूँ कि हमारा विरोध रहेगा। एच.पी.सी.एल. और बी.पी.सी.एल. जैसी प्रॉफिट मेकिंग कम्पनी को अगर आप बेचने जा रहे हैं तो उसका विरोध शिवसेना करती थी, आज भी कर रही है और आगे भी करती रहेगी। आप कृपया इसे अन्य तर्कों का इस्तेमाल करके न कहें कि ठीक है, अगर आपका विरोध था तो आपके मंत्री वहां सी.सी.डी. में बैठते हैं, उनको बोलने को बोलिए। हमारी भूमिका सार्वजनिक रूप से स्पष्ट है कि एच.पी.सी.एल. और बी.पी.सी.एल. एक प्रॉफिट मेकिंग कम्पनी हैं, उसको नहीं बेचना चाहिए। जो लायबिलिटीज हैं, उनको बेचिए, जो लॉस मेकिंग में हैं, उनको बेचिए। सरकार की तरफ से तर्क आता है कि लॉस मेकिंग वाली खरीदेगा कौन? तो आप प्रॉफिट मेकिंग कम्पनी को बेचकर कौनसी बड़ी चीज़ अधीय करने जा रहे हैं? आप लॉस मेकिंग कम्पनी को बेचकर दिखाइए तो मैं मानूंगा कि आप बहुत होशियार हैं, बहुत इंटेलीजेंट हैं, आपके पास नेगोसिएशन की पॉवर है और आपने सधमुच चमत्कार करके दिखाया है। जो अच्छी खासी कम्पनियां हैं उनको बेचने का कोई अर्थ नहीं है। इसके अलावा पेट्रोलियम सेक्टर को हम लोगों ने ओपन किया। उत्पादन के क्षेत्र में प्राइवेट सेक्टर को हमने अलाऊ किया है। उनको अनुमति दी है और बाकायदा दो-तीन कंपनियां उत्पादन के क्षेत्र में काम कर रही हैं। साथ-साथ हमने डिस्ट्रिब्यूशन सेक्टर में उनको अलाऊ किया। उन कंपनियों को बोला गया है कि 8000 पेट्रोल पंप आप हिंदुस्तान में खोल सकते हैं। वे पेट्रोल पंप क्यों नहीं खोलते? आज एच.पी.सी.एल. और बी.पी.सी.एल. के पास जो सबसे बड़ी जिम्मेदारी है, वह पेट्रोल पंप के जरिए लोगों को पेट्रोल और डीजल और एल.पी.जी. सप्लाई करने की जिम्मेदारी है। जिस तरह से उत्पादन के सर्किल में एक कंपीटीशन तैयार किया गया है, एक प्रतिस्पर्धा का निर्माण किया गया है और पब्लिक सेक्टर और प्राइवेट सेक्टर, दोनों सेक्टरों की तरफ से काम हो रहा है और मार्केट धीरे-धीरे प्रो करता चला जा रहा है, बिल्कुल उसी तरह से डिस्ट्रिब्यूशन के क्षेत्र में भी इस तरह की व्यवस्था करके दी जानी चाहिए। इसलिए कि अगर मान लीजिए आप अंततः जो बिडिंग शुरू करते हैं,

एच.पी.सी.एल. और बी.पी.सी.एल. के इम्प्लॉइज की इस तरह की घमकी आई है, आपके पास नोटिस भी आया होगा, कि जिस दिन से आप बिड ऐक्सेप्ट करना शुरू करेंगे, जिस दिन आप बिडिंग के लिए गए, उस दिन हम स्ट्राइक पर जाएंगे। स्ट्राइक पर सिर्फ एच.पी.सी.एल. और बी.पी.सी.एल. के इम्प्लॉइज ही नहीं जाएंगे बल्कि पूरे तेल जगत की जितनी कंपनियां हैं, जितने भी इम्प्लॉइज हैं, वे सारे के सारे स्ट्राइक पर जाने वाले हैं। उस दिन अगर मान लीजिए कि वे स्ट्राइक पर जाते हैं और एक दिन के अंदर अगर पेट्रोल पंप बंद हो जाएं.....

**उपसभाध्यक्ष (श्री पी. प्रभाकर रेड्डी) :** कनक्लूड कीजिए, टाईम हो गया है आपका।

**श्री संजय निरुपम :** हां करता हूं। एक दिन के अंदर अगर एक घंटा भी इस देश में पेट्रोल पंप पूरी तरह से बंद हो जाएं एल.पी.जी. की सप्लाई बंद हो जाए तो इस देश में हाहाकार मच सकता है। ऐसे हाहाकार की स्थिति से निपटने का हमारे पास कोई इंतजाम नहीं है। मेरा निवेदन यह होगा कि उन इम्प्लॉइज को कॉन्फिडेंस में लिया जाए, उनके साथ बैठा जाए।

दूसरी बात, एच.पी.सी.एल. और बी.पी.सी.एल. के संबंध में मेरे एक-दो छोटे-छोटे प्वाइंट्स हैं, मैं उनको कह कर अपनी बात समाप्त करता हूं।

**उपसभाध्यक्ष (श्री पी. प्रभाकर रेड्डी) :** आपका टाईम हो चुका है।

**श्री संजय निरुपम :** एच.पी.सी.एल. और बी.पी.सी.एल. के बारे में दो अलग-अलग निर्णय लिए सी.सी.डी. ने। बी.पी.सी.एल. के लिए कहा कि आई.पी.ओ. लेकर आएंगे और एच.पी.सी.एल. के लिए कहा कि स्ट्रैटेजिक पार्टनर। क्यों? इसका लॉजिक समझ में नहीं आया। यह ठीक है, माना जा सकता है कि स्ट्रैटेजिक पार्टनर के जरिए ज्यादा से ज्यादा अर्निंग होती है, प्रोसीड ज्यादा आता है लेकिन आई.पी.ओ. के जरिए भी ज्यादा आ सकता है अगर अच्छे ढंग से मेहनत की जाए और तरीके से उसकी मार्केटिंग की जाए। अगर मैं पहले ही कह दूं कि मेरी कंपनी एकदम बकवास है तो कभी भी शेयर की वैल्यू नहीं बढ़ने वाली। अगर सही मार्केटिंग की जाए तो सही कीमत, सही प्राइस मिल सकता है और उसके जरिए जो स्कैम, जो घोटाला, जो गड़बड़ सेटूर जैसे डिसइनवेस्टमेंट में हुआ, कम से कम उस तरह की स्थितियां पैदा नहीं होंगी। तो अगर जाना है तो आई.पी.ओ. के जरिए जिस तरह से बी.पी.सी.एल. में गए थे, उस तरीके से एच.पी.सी.एल. में जाने का प्रयास किया जाना चाहिए, जाने की कोशिश की जानी चाहिए।

**उपसभाध्यक्ष (श्री पी. प्रभाकर रेड्डी) :** अब कनक्लूड कीजिए संजय जी।

**श्री संजय निरुपम :** उपसभाध्यक्ष जी, मैं कनक्लूड करता हूं सिर्फ इतना कहते हुए कि हमारे देश में एक मिक्सड इकॉनॉमी थी, एक मिली-जुली अर्थव्यवस्था का वातावरण हमारे देश में हमेशा रहा। एक तरफ से अगर सार्वजनिक उद्योग को हमने प्रमोट किया तो साथ-साथ निजी उद्योग को भी प्रमोट किया और दोनों के बीच कंपीटीशन रहने दिया। दोनों के बीच कंपीटीशन रहने से आम जो उपभोक्ता था, उसको फायदा हुआ। बिलकुल उसी तरह से पेट्रोलियम सेक्टर

में भी हमने प्राइवेट सेक्टर को एलाऊ किया। बिल्कुल उसी तरह से पब्लिक सेक्टर इकॉनमी विशेषकर पेट्रोलियम जगत में स्ट्रैटेजिकली इंपॉर्टेंट है, इसलिए भी मैं मार्केट के दृष्टिकोण से बता रहा हूँ कि मार्केट के दृष्टिकोण से भी पब्लिक सेक्टर इकॉनमी को खत्म नहीं होना चाहिए। पब्लिक सेक्टर युनिट्स को निजी हाथों में नहीं दिया जाना चाहिए। धन्यवाद।

THE VICE-CHAIRMAN (SHRI P. PRABHAKAR REDDY): Mr. Premachandran, you have four minutes.

SHRI N.K. PREMACHANDRAN (Kerala): Mr. Vice-Chairman, Sir, last year, in the month of December, this House had a detailed discussion regarding disinvestment of both these oil companies, HPCL and BPCL. The Hon. Minister has given the reply to this House. But the Minister was not able to justify the reason for the disinvestment of the two companies, and still the cloud of doubt remains. Who is the real beneficiary from the disinvestment of these two companies? Whether the Government is able to convince the people of this country that by way of disinvesting these two oil companies, HPCL and BPCL, the Government or the people are going to be benefited by way of disinvestment. So, my first question to the Minister is: Who is the real beneficiary of this disinvestment process? It is being said that the proceeds of the disinvestment will be utilised in the social sector. As far as social commitment of this Government is concerned, suppose this Government is not convinced or not committed to the cause of the people, the cause of the working class, who are working in these public sector companies -- how can this Government fulfil the ambitions, or, fulfil the aims of the public at large in this country? So, the disinvestment is only to help the corporate houses. There is no doubt about that. We know what the corporate houses or the private companies are doing in this country. As far as NPA is concerned, it has crossed Rs. One lakh crores. Evasion of tax and so many other things are there. These two public sector companies are paying huge dividends. They are paying all legal dues to the Government. The exchequer is benefited by these two public sector companies. If these national assets are sold to the private corporate houses, from where will the wealth come in future? What is the apprehension of the Government and the Minister? They are giving an explanation that in future these companies will not be able to face competition and they will not be globally competitive. The statistics have come before the House. I am not going into the statistics because of lack of time. It is very well known that these two pioneer *nava ratna* companies are able to compete in the global scenario. Then, why should they be

disinvested? What is the reason? What is the logical explanation? The real aim and objective of disinvestment is to make the companies globally competitive. If these two companies are globally competitive, able to pay huge dividends, paying a huge amount to the exchequer and able to stand on their own legs, why should they be privatised? There is no logical answer.

The second point is regarding the decision of the Cabinet Committee on Disinvestment. The Cabinet Committee on Disinvestment has decided to bar the Indian Oil Corporation and the ONGC from bidding. What is the reason? The Government is withdrawing from the oil sector, the core sectors. Okay, we can understand that.

Mr. Vice-Chairman, I invite the attention of the hon. Minister, Shri Arun Shourie, to the Global Investors' Meet held at Kochi by the State Government of Kerala. He was also present there. It is very interesting to note that the Global Investors' Meet was inaugurated by the hon. Prime Minister. The hon. Prime Minister had announced that Rs.10,000 crores would be invested in three public sector companies in Kerala. The closing ceremony was addressed by the hon. Disinvestment Minister. The hon. Prime Minister had announced an investment of Rs.10,000 crores in three public sector companies, NTPC, IRE and Cochin Refineries Limited, in the State of Kerala. The Cochin Refineries Limited comes under the BPCL. It is a subsidiary of BPCL. So, what about the Cochin Refineries Limited now? The hon. Prime Minister is announcing public sector investments. But this Government's policy is disinvestment. The Government is withdrawing from all sectors, power sector, social sector, health sector, etc. It is withdrawing the investment from every sector. On the one hand, the hon. Prime Minister is making announcement about investments and, on the other, the Disinvestment Minister is disinvesting. Is it not contradictory? As regards the Cochin Refineries Limited, it is coming under the BPCL. Formerly, the marketing was done by the Indian Oil Corporation. It has already been mentioned that the Chennai Petroleum Corporation was taken over by the Indian Oil Corporation. The Mangalore Refineries Limited was taken over by the ONGC. It was a private company. It was a loss-making company. It was taken over by the ONGC. Then, why is this bar on the Indian Oil Corporation and the ONGC in bidding for these two oil companies? That is why I am saying there is no transparency. There is no national commitment. There is no national interest. Nothing is there. It

is a sell-out of the country. How can the Government explain this? There is no national consensus.

Sir, what is the meaning of the Parliament? The Parliament means, the will of the people. The Parliament represents the will of the people. Is that will of the people being recognised and accepted by this Government? Throughout the discussion, Members, even from the Treasury Benches, have expressed apprehensions. Shri Sanjay Nirupam has made his observations, as far as the Shiv Sena Party is concerned. The TDP has mentioned about their apprehensions. Almost all the parties have expressed their apprehensions about the Government's approach towards the disinvestment of profit-making public sector units. Then, who is interested in it? Only a very few persons in this country know the politics and economics of this country! What about all other political parties, economists, intellectuals, trade unions, etc., who are opposing it? A very few in the Cabinet are for disinvestment. They are saying that in future BPCL, HPCL, NALCO, IRE, etc., will be in loss. They will not be able to compete in the global scenario. In the liberalised economic scenario, we are not able to compete, so better to privatise it at the earliest otherwise the national asset will be looted. Is it a justification? Suppose, there is water flowing in the river and there is a dog standing on the other bank of the river which is in chains. If the chain breaks and the water flows away, what will happen to me? I am standing on the other side! Is not the philosophy of this Government like this? So, there is no justifiable logical explanation to this concern. And so far as these two public sector undertakings are concerned, they have been created by Acts of Parliament in 1974 and 1976. Now, who is the supreme? The Attorney General is supreme. Last time also, the technical question was raised by Shri Pranab Mukherjee, who took up this matter in this House, that since these two corporations are the creation of the Acts of Parliament, either it has to be repealed or resolution has to be brought before this House otherwise it is not possible to proceed further. So, the matter was referred to the Attorney General and the Attorney General has given his expert opinion. His expert opinion has also been quoted here in this House.

And the Attorney General has given his expert opinion on the basis of two precedents. The two precedents are Maruti case and IBP case and taking into consideration these two precedents, the Attorney General has said that there is no harm if the Government decides so.

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY AND THE MINISTER OF DISINVESTMENT (SHRI ARUN SHOURIE) : He has not mentioned either of them.

SHRI N. K. PREMACHANDRAN : I am quoting the press reports. This is on the basis of a report published in The Economic Times dated 21<sup>st</sup> January, 2002. It has been specifically stated that on the basis of two precedents, the Attorney General has given such an opinion. That is according to my information from this newspaper. This is how Mr. Soli Sorabjee has opined, that Parliament is not required for HPCL or BPCL sale. So, the Parliament, the will of the people, the discussion, the consensus, nothing is being taken into consideration except the opinion of Mr. Soli Sorabjee. Is it fair, Sir?

Sir, the management, the control, the assets, everything is on 'strategic sale'. A throw-out sale is being done for which the concurrence of this nation, will of the people, consent of the Parliament is required. So, if the NDA Government is committed to the principles of democracy - one of the principles of democracy is the majority rule, when the people of this country, almost all the political parties differ from the Cabinet having a different opinion, my humble submission is that either the Government has to come forward with a Bill repealing the former Acts, or come with a resolution so as to get the consensus of the whole nation otherwise please refrain from disinvestment of these two companies. Otherwise it will be the sell out of the national assets and it will be against the national interest. With these words, I conclude, Sir.

SHRI RAM JETHMALANI (Maharashtra) : Thank you, I was almost despaired. I thought that independent members never get a chance to speak. Sir, some criticism has been made of what the Minister wants to do. I heartily accept some part of that criticism. I shall first deal with that part of criticism with which I completely agree and I am in full support. Sir, first of all, the proceeds of disinvestment should be employed primarily for the purpose of reducing the national debt. That was the main rationale and that was the main compulsion why we embarked on the policy of disinvestment. Sir, those members who today say that this is profit making concern and these two profit making concerns are being disposed of, would kindly realise that this argument itself is bad economics, bad arithmetics. Consider the mind boggling overall national debt, the servicing of which



debt absorbs and takes away 75 per cent of our tax revenue leaving nothing whatsoever for overall development and development of the condition of the poor people of this country. It may be that one or two units are making profit. But consider that little profit against the kind of outgoings which are necessary for the Government to keep going because the national debt never reduces itself. I have said before and I wish to repeat that if the proceeds of disinvestment are applied to any other purpose, be it even the so called social sector, according to me, it is a grave breach of trust, if not a criminal breach of trust.

The second criticism with which I heartily agree is that the entire process of disinvestment should be completely transparent so that like Caesar's wife, you are completely above suspicion. I know that Mr. Shourie is a man of tremendous integrity. I have said it before and I wish to repeat it again and I hope he will accept this compliment from me. But the duty of the Government in a matter of this kind is not merely to be honest but as some Members have said, you must also appear to be totally honest.

The third thing is that when you dispose of an asset, you must make the process of bidding itself competitive. You must curtail unfair practices. You must not disqualify some people from participating in the bidding process on grounds which do not make economic sense. Therefore, realise the highest possible price and all unfair practices which depress the price which you obtain at the sales, must go.

Then a point was made by Shri Pranab Mukherjee. In his humility, he said that he is not a lawyer and he does not want to make a legal argument. I can tell you that he knows as much law as any Attorney General does. The very fact that he did not enter into a legal argument shows that he knows that the legal argument is bad.

Whether or not a Parliamentary approval in the sense in which that expression is being used is necessary, depends upon the terms of the statutes. I must say that I have studied both these Statutes, the 1974 Statute and the 1976 Statute. The first, when the ESSO was acquired and the second when the other company Burma Shell was acquired. Both these merely are vesting Statutes which make the Government a sole owner of the assets which the Government took over and they impose no other obligation, expressed or implied, which obligation will prevent the owner of

the property from disposing of the property in the manner in which any other ordinary owner will be able to dispose it of. So the approval in the sense in which it is being contended for, is certainly not required by both these Statutes. Mr. Soli Sorabjee's opinion is right. I must say that we are all humans. The previous Attorney General was manifestly wrong on this issue. When I say that no approval of Parliament is necessary, I am not in any sense either bypassing or even diluting the accountability of the executive to the Parliament of the country because there are hundreds of methods by which the accountability of the executive is enforced. The very fact that disinvestment is discussed in both the Houses of Parliament and the policy has been approved, but the only thing is the policy should be honestly executed and that is being done from day today. They also said that it has become a ritual to discuss this. The ritual itself is an enforcement of the sovereignty of Parliament and superintendence of Parliament.

Sir, a point was made that the Committee on Disinvestment, or a Committee which dealt with this problem has reported that these are two profit-making concerns and they should not be disposed of. It is true that the opinion of every Committee is entitled to the highest respect. But nevertheless, the opinion of 45 Members of Parliament belonging to all political parties, they are still a small fraction of the totality of the Membership of Parliament and merely because they by majority or otherwise took a particular view and even if they took a unanimous view, it does not really mean that the executive in that sense becomes bound.

Lastly, my friend here has quoted article 39 of the Constitution. Now, Sir, Article 39 of the Constitution, we should first realise that we are all free thinkers, we are not subject and prisoners of any particular dogma and, Sir, any idea - economic or political - however, powerful that idea and however, powerful be the persons who originate that idea, ultimately will sway over the mind of people for some time. Ultimately, experience discloses that the idea was not such a great-idea, as we thought it to be in the beginning. And, Sir, it is not a matter of surprise that those, who invented the Avadi Theory of Economics, are the very persons who realised that something was wrong with that method of economic management and the fresh winds, the fresh breath of air came from my friend, Dr. Marimohan Singh, in early 1990 when I was sitting on that side and he was sitting on this side and I got up and broke riots with everybody and applauded the

fresh air that he breathed into the economic thinking. So, Sir, ultimately, we are all subject to experience. We realise that after 1955, the experience, which we have acquired in 40 years, showed to us that the economic management, under Article 39, did no longer subserve the public good. The key words of Article 39 are that your distribution of the natural resources of the community must be so made that it subserves the public good, the common good. Experience may show that this method of distribution serves the public good today; tomorrow's experience may say that that was wrong and now we have to embark upon some other method and that is precisely what is being done today. And, Sir, is it not today being freely said that if 50 years ago, you were not a socialist, then you have no heart, but if today you are a socialist, then you have no head. So, things change, and, Sir, it is no use quoting old shibboleths and trying to tie down the poor Minister. Thank you, Sir.

THE VICE-CHAIRMAN (SHRI P. PRABHAKAR REDDY): Shri R.S.Gavai. You are the last speaker and then the Hon'ble Minister will reply.

SHRI R.S.GAVAI (Maharashtra): I will be very brief, Sir. As has been said by the honourable Members of the House, but I personally feel that the debates which took place today, indicate by and large, the consensus comes that it is not wise to disinvest HPCL and BPCL. Though Shri Sanjay Nirupam said that it is very difficult that Hon'ble Minister, Mr. Arun Shourie, will hear everybody, but, ultimately, will do his own. It may be an assault on the reputation of a particular personality. But, I feel that wisdom may dawn upon him. Of course, the reactions during the deliberations are rather mixed up, though not totally opposing, but, at the same time, tracing where is the need for disinvestment of HPCL and BPCL? What is the logic and rationale behind disinvestment? I hope that the Hon'ble Minister will reply to the rationale and logic against disinvestment of HPCL and BPCL, as given by the Members of the House during the deliberations with the facts and figures. If he does, I will be happy. Sir, the parliamentary democracy is not a subject of controversy or any debate. We believe in parliamentary democracy. The supremacy of Parliament is there; we have unquestionable belief in the parliamentary democracy. It may be argued that directly or indirectly, we are taking into confidence the parliamentary democracy. But, as per the suggestions put forth by Shri Sanjay Nirupam, there is a provision in the Constitution that we can seek

advice from Attorney General. That is true. It should not be a one-way traffic. It should be both-way traffic. What he read out is a technical one, that the Government can take decisions without facing Parliament. But it is to be seen whether the merit of the decision is pro-people or not. That is the outlook of the Government. If the Government is sincere enough, as per the Parliamentary Practices and Procedures, they can also invite the Advocate-General to appear before the Rajya Sabha. He also has a status, in this respect and he can reply to the deliberations made by the Members of this House. Sir, my question is very simple. Please tell me the logic, the rationale, as to (i) how the disinvestment of this company would generate employment; (ii) how it would bridge the gap between the poor companies and the rich companies; and you should also address the logical and rational question put by the Members, that is to say, why we are doing this especially when we are facing the cloud of the war. It was declared by the hon. Prime Minister of this nation that we would require to have a bumper stock of the oil during the period of the war. The war may or may not be there. But what is your plan of action?

While concluding my speech, I only wish to say, let wisdom fall upon their head. Sir, the wisdom of repentance is very good and that is the true wisdom. There is a proverb in Hindi, "राज हठ और स्त्री हठ बड़ा खराब होता है, खतरनाक होता है।"

Sir, the golden middle point of view is that, at least, as long as there is Parliamentary democracy, be with the people. And, I quite agree with Mr. Premachandran; if you are serious enough, then bring a Bill, and bring it before the nation for a public opinion. You might have an opinion; but the people outside are thinking otherwise. I quite understand your honesty and sincerity. But as far as disinvestment is concerned, people are thinking otherwise. Let us hope that you will not stick to your attitude. Do not be thick-skinned. Be sensible while taking the decision.

THE VICE-CHAIRMAN (SHRI P. PRABHAKAR REDDY): Hon. Members, there are 15 minutes left before 5.00 p.m. But I am told that a decision has been taken in the BAC meeting that the Minister would give his reply tomorrow. I would like to take the sense of the House.

SHRI PRANAB MUKHERJEE: If the hon. Minister replies tomorrow, then, it will be better because he cannot complete his reply before 5 o'

clock and, moreover, tomorrow, we are not having much business. So, it will be better if the hon. Minister replies tomorrow after the Question Hour. Thereafter, we can have the other items of business.

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE AND THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI O. RAJAGOPAL): There is one small Repeal Bill. The hon. Minister of State for Finance has to go to Chennai tomorrow. If the House agrees, we can finish it today.

SHRI PRANAB MUKHERJEE: We had already discussed it in the BAC to have the left-over business tomorrow. I think, he can depute some other Minister to do it on his behalf.

THE VICE-CHAIRMAN (SHRI P. PRABHAKAR REDDY): The House is adjourned till 11.00 a.m. tomorrow.

The House then adjourned at forty-five minutes past four of the clock till eleven of the clock on Wednesday, the 19<sup>th</sup> February, 2003.