

MR. SPEAKER: Why not the Parliament?

(Interruptions)

SHRI P. CHIDAMBARAM: Sir, the work ethics of the Government, the Opposition, and everybody is under review. I am grateful that we all are under review by the people because we are sitting in front of television cameras. So, the work ethics of everyone is under review.

Sir, I support the appeal made by the hon. Member that we must improve the work ethics and attitude of Government employees. This must start at the top. Unfortunately, we are not getting the best out of our employees. The kind of work that is being churned out is not commensurate with the kind of investment that is being made in the human resource development ... (Interruptions)

PROF. RASA SINGH RAWAT: Sir, it concerns the government employees. We all want to participate in it. That is why we require more time on this ... (Interruptions)

SHRI P. CHIDAMBARAM: Sir, the first thing we must agree to is that Government must be lean and efficient. Unless we are clear in our minds that Government must be lean, we cannot improve efficiency. Efficiency is the function of the size of the Government. We must have a right size for the Government. There are a number of recommendations of the Pay Commission regarding merger of Departments; right-sizing the Government etc. These are being looked into departmentally. ... (Interruptions)

SHRI NIRMAL KANTI CHATTERJEE: Sir, now let there be a full-fledged discussion in the Parliament on this.

Government is not merely a political talk. All the employees are involved in the Government activities. Let us have a full-fledged discussion on this under rule 193.

MR. SPEAKER: You can give a notice for this.

SHRI NIRMAL KANTI CHATTERJEE: All right. Let us give a notice on this.

MR. SPEAKER: Please give the notice. I will see subject to availability of time.

[Translation]

Repayment of Loan by States

*242. SHRI SATYAPAL JAIN: Will the Minister of FINANCE be pleased to state:

(a) whether the Union Government are aware that various States of the Country have to repay dues under various heads to the Union Government;

(b) if so, the position thereof, State-wise;

(c) whether the Union Government are contemplating any proposal regarding recovery or waiving of dues;

(d) if so, the details thereof; and

(e) if not, the steps being taken by the Government for the recovery of dues?

[English]

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM) : (a) to (e) A Statement is laid on the Table of the House.

Statement

(a) Yes, Sir.

(b) The States have to repay to the Ministry of Finance dues under three heads (i) Current Plan loans (ii) Current Small Savings Loans and (iii) Consolidated Loans.

State-wise position of outstanding loans as on 31.3.97 is given below:

Sl. No.	States	Plan loan	Small Savings Loan	Consolidated Loans	Total
1	2	3	4	5	6
1.	Andhra Pradesh	5,444.08	3,532.03	1,364.66	10,340.77
2.	Arunachal Pradesh	181.56	34.26	14.12	229.94
3.	Assam	715.2	1,800.34	1,128.96	3,644.50
4.	Bihar	4,243.65	3,685.87	1,557.70	9,487.22
5.	Goa	286.44	196.07	317.45	799.96
6.	Gujarat	2,482.60	6,757.67	599.1	9,839.37
7.	Haryana	1,247.52	1,980.95	309.49	3,517.96
8.	Himachal Pradesh	271.63	1,290.09	98.53	1,660.25

1	2	3	4	5	6
9.	Jammu & Kashmir	1,068.13	774.14	1,007.23	2,849.50
10.	Karnataka	2,529.93	3,674.65	507.93	6,712.51
11.	Kerala	2,016.00	1,901.48	632.59	4,550.07
12.	Madhya Pradesh	2,937.78	2,325.87	1,127.08	6,390.73
13.	Maharashtra	5,066.08	9,964.00	824.34	15,854.42
14.	Manipur	101.54	50.35	52.87	204.76
15.	Meghalaya	114.9	89.42	29.91	234.23
16.	Mizoram	103.65	33.54	12.5	149.69
17.	Nagaland	154.75	50.32	44.76	249.83
18.	Orissa	2,397.74	1,396.93	871.56	4,666.23
19.	Punjab	7,011.57	3,408.17	222.67	10,642.41
20.	Rajasthan	2,553.24	3,351.65	1,089.23	6,894.12
21.	Sikkim	84.58	30.42	21.5	136.50
22.	Tamil Nadu	4,480.79	3,324.41	598.65	8,403.85
23.	Tripura	144.25	172.20	37.57	354.02
24.	Uttar Pradesh	8,360.45	10,539.00	2,197.52	21,096.97
25.	West Bengal	2,795.78	9,609.91	811.63	13,217.32
Total		56,793.84	69,953.74	15,479.55	142,227.13

(c) to (e) Repayment of loans by the State Governments to Government of India is a normal process under the terms and conditions governing their sanction. In the event of any State Government delaying, such dues are adjusted against Central devolution/releases due to the State Government concerned.

Waiving of dues during the period 1995-2000 shall be in accordance with the recommendations of the Tenth Finance Commission. In addition, a repayment of Rs. 803.25 crores including both principal and interest in respect of special term loans granted to Punjab during the period 1984-85 to 1993-94 have been waived off for 1995-96. For the remaining years covered by the Tenth Finance Commission's recommendation in respect of special term loans advanced to Punjab to fight militancy and insurgency, while a decision has been taken, the details are being worked out. No decision has been taken with regard to other demands for loan waiver from States.

[Translation]

SHRI STAYA PAL JAIN: Hon. Speaker Sir, the Minister has told in his reply that different states have to repay loan amounting to Rs. 42 Thousand Crores to the Central Government. State Government take loans from Government of India to carry out their developmental works and some of them mobilise funds from other financial resources

on their own.

Mr. Speaker Sir, to my knowledge the Reserve Bank of India has issued instructions to state Governments that while seeking loans or mobilising resources, the State Governments should take neither any gift nor any commission from the concerned institution on concerned agency, whether state or private agency, nor they should yield to any allurements. I would like to know from the Minister whether the Government is in the knowledge of the fact that some states including Himachal Pradesh have to repay a loan amounting to Rs. 1600 Crores. The state government in order to mobilise her resources, took a loan from some institutions through a private institution and paid Rs. 2.5 Crores as commission to it. On the one hand the state has taken a loan of Rs. 1600 Crores from the Central Government and ... (Interruptions) The R.B.I. has issued instructions. I want to know whether the Government is aware of the fact and if not, whether they will seek information from the concerned State Government in this regard? If a commission of Rs. 2.5 Crores has been paid to a private institution in order to get a loan from them, the Central Government would like to initiate an inquiry in this regard and take action accordingly.

[English]

SHRI P. CHIDAMBARAM: Sir, I am sorry. This question

deals with Central Government loans to State Governments. If he wished to put a separate question on something which the State Government had done; borrowing from the market, then let him do so.

[*Translation*]

SHRI SATYA PAL JAIN: Mr. Speaker Sir, this is for your information that they took a loan in order to repay the loan taken from the Central Government for which they paid a commission to the tune of Rs. 2.5 Crores. Please furnish details in this regard ...(*Interruptions*)

[*English*]

MR. SPEAKER: You cannot expect the Hon. Minister to know what the State Governments are doing to repay the loans. How do you expect the Minister to know all these things?

[*Translation*]

SHRI SATYA PAL JAIN: Mr. Speaker, Sir, by going through the data provided in it, one gets this impression that there are many states which have to repay loan to the tune of hundreds of crores of rupees but the Central Government does not pay more attention towards those state for recovery of loan amount which enjoy support with the Centre and have influential C. Ms and Governments. But in the case of smaller states, these do not even get their normal share of assistance and sometimes the amount of assistance is also cut. I would like to give an example of union territory, Chandigarh in this regard. This year any instead of achieving any loan to the territory, even the normal assistance provided in the years budget has also been reduced by Rs. 8 Crores. I would like to ask the Minister of Finance whether or not the Central Government is going to adopt a uniform policy in this regard without caring for the influence of the C.M. and size of the state what policy is Government going to adopt in regard to the cut in the assistance without any valid reason.

[*English*]

SHRI P. CHIDAMBARAM: Sir, I am sorry that the Hon. Members should carry such an impression. There is no discriminatory policy or attitude towards giving loans or recovery of loans.

The Government of India loans fall under either block loans to States to finance State Plans or small saving loans or special term loans in certain special circumstances. All loans are recovered according to a uniform principle and I am assure you that all loans of all the State Governments up to 31.3.97 have been recovered. There has been no discrimination whatsoever.

[*Translation*]

SHRI THAWAR CHAND GEHLOT: Mr. Speaker, Sir, I would like to know the number of years since when the recovery of loan from the states of Andhra Pradesh, Bihar, Uttar Pradesh, Maharashtra and West Bengal. Recently our Prime Minister has waived off the amount of principal as

well as the interest in respect of special term loan granted to Punjab to fight militancy. I would like to know whether the Central Government would also waive off the amount of principal and interest in respect of loan granted to states of Madhya Pradesh, Bihar, Uttar Pradesh, Maharashtra, Gujrat and Assam on account of earthquake or floods or some other disaster in these states respectively.

[*English*]

SHRI P. CHIDAMBARAM: As I said, all loans up to 31.3.97 have been recovered. Recovery is an automatic process. The recovery is adjusted out of the funds which are given by the Central Government. There is no discrimination. There is no scope for discrimination. Therefore, all loans up to 31.3.97 of all State Governments have been recovered. Dues for 31.3.98 will be recovered before 31.3.98 on the due dates. Therefore, there is no discrimination.

Sir, it is true that the Prime Minister in a meeting with the Chief Minister of Punjab and others had taken a decision about a very limited factor, namely, the special assistance rendered to fight militancy and insurgency during a particular period which falls within the scope of the Tenth Finance Commission.

The details of the decision have to be worked out. Therefore, I am unable to announce any decision as such. But that has been accepted in principle. This is being discussed.

There is no proposal to waive any loan on account of floods or earthquake or other disasters. That is dealt with under the Calamity Relief Fund. There is a national calamity relief fund. There are State calamity relief funds. The Tenth Finance Commission has provided money under these funds and earthquake and floods have to be dealt with by the funds flowing to the calamity relief funds.

I would humbly submit that we should not mix up calamity relief fund with recovery of loans which are given by the Central Government to the State Governments.

SHRI DWARAKA NATH DAS: I would like to know whether the Government of Assam has a debt to the tune of Rs. 6,000 crore under various aspects to the Union Government. If so, on what account the State Government had to incur such a huge debt; whether this would affect the economic package of Rs. 6100 crore for the State announced by the hon. Prime Minister?

May I know from the hon. Minister what steps are being taken by the Government for the recovery of the dues or whether the Union Government is contemplating to waive the dues because of the inability of the State Government of Assam to repay the debt?

MR. SPEAKER: I think, some Members have not listened to the answer given by the Minister.

(*Interruptions*)

[Translation]

PROF. RASA SINGH RAWAT: Mr. Speaker, Sir, I would like to ask a question in respect of those State Governments whose position in regard to repayment in Government.

[English]

MR. SPEAKER: Perhaps the Minister has said that there is no outstanding loan.

SHRI P. CHIDAMBARAM: In the case of Assam, after this Government took over, on a request made by the Chief Minister of Assam, we deputed a team. On the basis of the report of the team, we have made a special grant of Rs. 132 crore to deal with security-related expenditure which, according to the Government of Assam, was not taken into account by the Finance Commission.

Therefore, Assam has been given a special grant of Rs. 132 crore for security-related expenditure. Assam is also a special category State. All the Central funds flowing to Assam go as 90 per cent grant and 10 per cent loan.

Target for Disinvestment

*243. LT. GEN. PRAKASH MANI TRIPATHI: Will the Minister of FINANCE be pleased to state:

- (a) the target fixed for raising of funds by disinvestment in public sector enterprises during 1997-98;
- (b) present position in this regard;
- (c) whether the disinvestment commission has expressed its concern over the delay in taking decisions by the Government thereon; and
- (d) if so, the reaction of the Government thereto?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) The target fixed for 1997-98 is Rs. 4,800 crores.

(b) Disinvestment in four Public Sector Enterprises (PSEs); namely, Gas Authority of India Ltd. (GAIL), Container Corporation of India Ltd. (CONCOR), Mahanagar Telephone Nigam Ltd. (MTNL), and IOC has been approved during the current year 1997-98. Action has been initiated in this regard.

(c) and (d) Yes, Sir. Disinvestment Commission has expressed its concern in its 3rd Report. The Commission has made a number of recommendations both of a general nature and also relating to individual PSEs. These recommendations have been examined by the Core Group of Secretaries. A number of these have been referred to administrative Ministries for action and implementation. Where strategic sales of companies have been recommended, the administrative Ministries have been consulted for framing proposals for approval of the Govt. Since Disinvestment Commission has proposed radical changes, the Government has to take a considered approach on these issues.

LT. GENERAL PRAKASH MANI TRIPATHI: I am glad that the target fixed for this year is Rs. 4800 crore. In 1992-93, the target fixed was Rs. 3500 crore and the achievement was less than Rs. 2000 crore. In 1993-94, the target was Rs. 3500 crore but not even Rs. 1000 crore was achieved. In 1994-95, the target was Rs. 4000 crore and the achievement was good. In 1995-96, the target was Rs. 7000 crore and what was achieved was Rs. 168 crore. I do not know whether one was the carry over of the other or backlog of the other. But I am glad that you fixed a target of Rs. 4800 crore for this year.

The method, how this is fixed, is not clear to me. But certainly the progress has been very tardy. So, we have this tragedy that good schemes have bad progress and bad schemes have no progress.

Now, we have an Advisory Body which has made four recommendations. But it is not clear whether really this scheme has taken off, or no takeoff has taken place so far. It is not at all transparent and also adequate data is not being made available. What I would want to bring to the notice of the hon. Minister is that the percentage of disinvestment as envisaged by him has been very slow and in 1995-96 it had even slowed down further.

Is that the picture with the hon. Finance Minister; and if so how does he propose to accelerate this good scheme? That is my question.

SHRI P. CHIDAMBARAM: Sir, disinvestment is a sensitive issue. It is true that the previous Government fixed certain targets but it could not evolve a mechanism by which disinvestment took place in a transparent manner and would have widespread support. Therefore, in the Common Minimum Programme of this Government, we announced a decision to establish a Disinvestment Commission.

The Commission has been established. I believe that has been widely welcomed by this House and by the people of this country. It has introduced a large degree of transparency, objectivity and quality in decision making.

Last year, the Disinvestment Commission came towards the middle of the year and by the time it gave its report, in the process the year was over. We could only get a small portion through VSNL. VSNL, as it turns out, anyone who is aware of what is happening in the capital market, has been the most successful issue of the year. In fact, the word what is being described as is, 'very successful new listing—VSNL'. It is now quoting much above the price at which it was listed. VSNL investors are extremely happy. We think that we are on the right track for disinvestment.

We have now received the Disinvestment Commission's reports. We have chosen three companies for disinvestment this year alongwith IOC which was decided last year and which has been carried over to this year. They are GAIL,