

SHRI P. CHIDAMBARAM : I introduce the Bill.

15.17 hrs.

STATEMENT RE COMMISSIONS OF
INQUIRY (AMENDMENT)
ORDINANCE, 1986

[English]

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI P. CHIDAMBARAM) : I beg to lay on the Table an explanatory statement (Hindi and English versions) giving reasons for immediate legislation by the Commissions of Inquiry (Amendment) Ordinance, 1986.

15.18 hrs.

INDUSTRIAL FINANCE CORPORATION
(AMENDMENT) BILL—Contd.

[English]

MR. DEPUTY-SPEAKER : The House will now take up for further consideration of the following motion moved by Shri Janardhana Poojary on the 2nd May, 1986 namely :

“That the Bill further to amend the Industrial Finance Corporation Act, 1984, be taken into consideration.”

Already we had exceeded the time limit by 23 minutes. Therefore my request to the hon. Members is that they may make brief speeches on this subject. Now Shri Das Munsi.

SHRI PRIYA RANJAN DAS MUNSI (Howrah) : Mr. Deputy Speaker, Sir, the scope of this Bill—IFCI (Amendment) Bill is quite wider having a very good intention to intensify the industrial activities largely in the industrial cities and towns and specially providing such assistance which were never given earlier by the public financial institutions to any industrial city or the industrial investment centre. Now, what I would like to submit before the Minister is that in the scope of the Amend-

ment of the Bill, wider powers and the opportunities are provided to the Chairman and the Managing Director as a whole time Chairman and Managing Director. But it is a matter of great regret today that in India, in most of the cases often we find that superannuated people and the people who hardly have any knowledge of fiscal policies of the country or the general industrial development of the country are taken there by assignment either through Bureau of Public Enterprises or nominated by the Government, as the Directors of the Board who hardly take any interest.

As a result, what happens ? If you carefully follow the minutes of the meetings of the Board, minute by minute—I do not blame anybody—you will observe that in most cases the follow-up measures and actions are not conducted appropriately. They are conducted in such a manner that industrial growth is hardly brought about. Therefore, I would submit to the hon. Minister that to be in tune with our Prime Minister's wishes, competence in public financial institutions speedy economic growth and result-oriented actions are necessary, if this country is to be taken to the 21st Century. There, this particular institution, and institutions of this nature e.g. IRBI and IFCI, play a vital role. Without blaming any individual, I once again request the hon. Minister to find out, while he appoints the Directors in the Board, or the Managing Director, either through BPE or any other authority, whether they are dedicated only to this job and not to any other job. It happens that somebody is shunted from here to the Bank of India, then from Bank of India to IRBI.

I know a particular incident. A person happened to be the Chairman in IRBI. Having done a good or bad job of it, we do not know, he was shunted to be the Chairman of the Bank of India. A particular man having failed in a particular field, is again placed as the Managing Director in a different institution. This kind of things not only brings ill-reputation to the Government, but also takes the country backward. So, such things should not be repeated.

I will now suggest a few more things, within the scope of this amending Bill. The Bill envisages a few other major things which were not seen earlier in the country.

In an industrial estate, they will provide technical assistance, financial support, hospital and other facilities etc. If the real merit of these things is explained to the working class, they will certainly appreciate the intention of the Government.

But I want to ask : how are you going to do these things ? How are you planning? You cannot do it on a national scale, because your funds will not permit it. Therefore, my suggestion to the hon. Minister is : Let the joint sector and the big public sector in an industrial town or industrial estate give priority and preference to the middle scale industrial units and small scale industrial units. Let the State industrial units give all the facilities to the IFCI.

With reference to West Bengal, I can only say this. I am not talking of discrimination, but the fact remains that the IFCI's performance, investment programme and its total attitude towards West Bengal is really very poor and negligible. In respect of units that they monitor, there is lack of coordination. Again I say, I do not blame the officers.

I represent a constituency which is full of industrial houses. I have taken up a few cases, and I have found that IFCI's management gives money to these units. But management after management siphoned off the amount to family after family; and finally, when they try to catch hold of them, they were on the verge of collapse ; and the workers were on strike. They put all the blame on the workers, or the management etc. The difficulty today in this institution is that there is no understanding between the main Bank, and this institution. If IFCI recommends a case or approves a scheme, its bankers, viz UBI or UCO Bank or the State Bank people will try to show off their power—i.e. for accepting it or not accepting it. This kind of clashes is not helping you. This kind of a clash has gained momentum these days.

I can cite several examples of the kind of behaviour of the public financial institutions. If they want to sympathize with a unit, the Bank's bosses feel that it is their duty to step in. I do not like to mention names. In Calcutta, I know that if UBI

tries to take the name of one unit, inspite of the fact that IFCI or IRBI wants to help it, that unit will suffer for years or months; and thousands of memoranda are given to the Minister by MPs and MLAs. But the Minister refers them again to those people for comments, i.e. to the people who are spoiling things. These people quickly prepare a note to you saying that our representations cannot be considered. And you, the Minister, simply reply to us accordingly.

Are we fools? We represent the people. While we take up the issues, it is none of your business, Mr. Minister, to simply refer them to those against whom we are complaining. You are referring the matter to them.

If I am complaining against IRBI, you are sending my complaint to them, If I am complaining against the Chairman of the UBI with a confidential note, you are sending it to the Chairman of the UBI. Then what is the use of my complaint ? This is how your Ministers function. So, I want to know how your Ministers function ? This is not the way to help people and the workers in industrial field and to augment activities to the financial institutions.

About IFCI, I know I did not mention much. There will be my question. We are always talking of corruption here. Just for one month, you fix up a programme and take the assessment of the property and wealth of the Chairman and Managing Directors past and present of the public financial institutions and you will find how many of them have been settled abroad. You will be amazed. Out of the entire resources of the IFCI, by granting favour here and there and collapsing the entire industrial prospect, they are gaining. When we make a complaint against them, they think that we politicians have come today and tomorrow we may lose and go back home and nothing will be done to them. This is the kind of things we are facing. You are giving them powers; you are making this arrangement. I am entirely with you. I appreciate your conduct and intention. But who will manage all these things ?

In Calcutta—in this matter I hope the opposition will agree with me—one gentleman is conducting 12 public sector units; one

[*Sh. Priya Ranjan Das Munsi*]

man is the chairman of 12 units. He himself told me that he did not know who were his people in other units. He is the Chairman of the 12 units because he has some people in the Ministry with vested interests—Burns and other people. I am not blaming IFCI; I am only citing these things to show how they are manipulating them.

Now you have given them powers to open hospitals. Mr. Sangma is here. His business is to see that an industrial area should get a hospital there, but it is not their interest to see whether workers should get medicines there. Then what is the use of having that hospital over there? Again IFCI is getting powers in the industrial estate; they can provide hospitals and other facilities. I want to know whom they will give? As per the recommendation of the State Government, as per the recommendation of the industrial units, as per the arrangement of the industrial estate, what is the criterion for doing it? It is a blanket power. He can satisfy Modi; he can satisfy his own men, but how will they do it, you have not spelt out in the amendment. Therefore, I only suggest that, after getting this amendment passed today in the House, please make clear guidelines, (a), (b), (c), so that they should know how they will use their power.

You say that they will give financial and technical support. Why not monetary authority? If IFCI participates in a unit, why not give them powers so that they can have their technical persons involved in that unit to monitor regular financial discipline also? But you don't do it; you simply give them machinery and money; the banks give them machinery and money and that will take away that money, and then one day the factory is closed, and then you say, it is not our responsibility. By this process, crores and crores of public money have been wasted in a number of units because of the faulty character of the institutions. Kindly haul it up. A time has come when irrespective of political parties, all the political parties should unite against this menace in the public financial institutions which are

really destroying the country through their faulty methods with manipulation and speculation.

With these words, I conclude my speech and I hope that the hon. Minister will take my questions and queries in the right perspective without any personal things.

SHRI E. AYYAPU REDDY (Kurnool): Mr. Deputy Speaker, the Industrial Finance Corporation (Amendment) Bill is intended to bring about an enlarged functioning of the original Act of 1948. The Act of 1948 was intended to lay down a very fine and healthy financial policy. This was intended to usher in an era of industrial growth in India on healthy lines.

Now, the time has come when we must have a second look at the Industrial Financing as a whole.

PROF. MADHU DANDEVATE: He can be on his legs till Monday, Sir.

MR. DEPUTY SPEAKER: We can continue this discussion on Monday.

We will now take up Private Members' Legislative Business.

15.31 hrs.

CONSTITUTION (AMENDMENT) BILL*
(Insertion of new article 174-A)

[English]

PROF. MADHU DANDEVATE (Rajapur): Sir, I beg to move for leave to introduce a Bill further to amend the Constitution of India.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Constitution of India."

The motion was adopted.

PROF. MADHU DANDEVATE: I introduce the Bill.