

Resolution Re: REVIVAL OF SICK PUBLIC SECTOR
UNDERTAKINGS—(contd.)

16.20 hrs

(SHRI PETER G. MARBANIANG *in the Chair*)

[English]

SHRI CHITTA BASU (Barasat): Sir, I rise to support the Resolution moved by Shri Sudarsan Raychaudhuri.

MR. CHAIRMAN: The time allotted for this item was three hours and we have already consumed 2.32 hours. The remaining time is only 28 minutes.

SHRI CHITTA BASU: Sir, then the time should be enhanced. This Resolution is very important. It has raised certain very strategic and vital issues. First issue is that the industrial sickness is growing in the public sector in our country. Second issue which has been raised in this Resolution is about the non-payment of dues to the public sector workers and employees. Third issue which has been raised is the revival of sick units and the fourth issue which has been raised is the interest of the nation as a whole.

Sir, so far as the growing sickness of the public sector is concerned, I want to be assured by the Government that the public sector has been built in our country for ensuring rapid economic and industrial progress. If we allow the public sector to become sick and if we allow the public sector to be dismantled then the progress of the country, industrial as well as economic, will be halted. Therefore, my earnest appeal to the Government is that the Government should make an open announcement or a policy statement that all efforts will be made for the revival of the sick public sector undertakings and there should not be any question as to when and how the public sector units are to be dismantled or allowed to be closed or allowed to be ended.

Sir, non-payment of dues is a criminal offence. Sir, if as a private Member you fail to pay the salary and wages to your maid servant or any employee working under you, you can be very well drawn to the court. There are specific laws for the punishment to be inflicted on the defaulter.

The Government should be an ideal employer. Other private sector employers should take a lesson from the Government as employer. If the Government itself being the employer fails to provide, for the payment of the legitimate, justified wages of the workers, then I do not know who will punish the Government. But I am really surprised and shocked to find that the laws of the country are being violated by the Government itself. My plea is to find out whether this kinds of things happen in any civilised country in the world. No civilised country would allow this thing to take place.

I want that there should be a specific announcement that all the dues of all workers and peasants in all public sector undertakings be immediately paid. The Government has taken the policy of withdrawing all budgetary support to

these sick industries. The budgetary support is needed only to see that the interest of the country is served. If because of the mismanagement of the top management, there is some corruption, malpractices, embezzlement and the units become sick, it is not the workers who are to be punished.

I want that there should be a specific policy announcement that all public sector undertakings which were being provided with budgetary support for the current financial year are also to be revived expeditiously.

The present policy of the Government for revival of sick public sector undertakings is to refer the matter to the BIFR. Some of my colleagues qualify BIFR as the Board of Industrial Financial Rights. I would not have raised this matter and I would not have been shocked and surprised had it not been taken by the Government as a policy strategy. Can the Government follow that kind of irresponsible and reprehensible policy that whenever there is sickness, they do not make any attempt for the revival of the unit? Today the workers are very much conscious. They work for the revival of the project. I am one of the trade union workers. The workers prepare themselves for the revival process. The workers even sometimes take less pay and are prepared to enter into agreement that they will be taking less wages for a few years, only to see that the unit where they work survives. And the Government has taken a policy stand that if you are sick, go to the burial ground. If the unit is sick, it is to be given to the BIFR which has been properly named as a Board of Financial Rights. This is against the interest of the nation. If it is against the interest of the nation, we should also understand why it is so.

It is a part of that so-called new economic programme which has been accepted by the Government under the diktats of the IMF and the World Bank. What are the salient features of this new economic policy? I will mention only three or four salient features. One is, the dismantling of the Public Sector—that is their policy—to be followed by privatisation; then, there should not be any budgetary support to the Public Sector and if there is any support, it should be constantly and progressively reduced; no fresh investment should be made in the Public Sector. All taken together, it is to liquidate the Public Sector itself.

Sir, I have got no time. I know that you cannot allow me unlimited time. But have some sympathy for the workers. It is the Public Sector in which we have invested more than Rs. 1,46,000 crores. It is your money. It is not his money. It is my money. It is his money. These Public Sector Industries are our property, the people's property. And, you as the Government and as the Minister are required to protect the public property. But you are breaching the trust; you are breaching the faith mandated for. You are destroying, dismantling the Public Sector Undertakings consciously. This is what I emphasise. Your policy has been dictated by the agencies abroad. This is a sin that you have committed. This is a sin you are committing. This is a sin which leads to the sell-out of the country's interest. This cannot be

allowed to happen. You have brought about complete reversal of the economic policy which was formulated by this House in the past. I refer to the 1956 Industrial Policy Resolution. There is complete overhaul, complete reversal. This allows the big multinational corporations of the big imperialist countries to invade our country. The country is threatened with the prospect of economic enslavement. Economic enslavement brings or invites cultural enslavement and cultural enslavement in turn invites servility and it costs the Independence of the nation itself. I have got no words at my disposal to express my indignation and condemnation against this policy. Sir, please forgive me. I have got no adequately expressive words at my command.

AN HON. MEMBER: People have votes to express their indignation.

SHRI CHITTA BASU: That is the only way. They have already started it. They will do it also and that keeps us ready. What has been the result of the disastrous policy pursued by the Government? There has been increase in the volume of unemployment. Figures are with me. It is not required to be repeated. You know about it. This has led to the increase in the volume of retrenchment. This has led to the overall increase in poverty. This policy has also led to the deterioration of the industrial relations. To my great surprise, I find that this economic policy also envisages necessary changes in the Industrial relations.

And that too at the behest of some multinational corporations. This economic policy, as was pointed out yesterday, has invaded into our own legal system. They want to scuttle the land reforms project as such. They want to propose that the upper ceiling of the land should be abolished. There should not be any ceiling on land. Therefore, it is not merely a question of providing bread for several lakhs of people of our country. It is not that. Had it been so, I would not have so indignant in this matter. The question is of the independence, economy and political sovereignty of our country.

I conclude with making certain specific suggestions. I have got the figures but I am not going to repeat the statistics. There should be a revival process for each and every public sector undertaking which has fallen sick. This revival process should be made in consultation with the cooperation of the workers. That is a must. A new policy statement should be made wherein it should be stated clearly that every sick unit must have its own revival process. And all efforts are to be made to see that the revival projects are accepted by the Government. From the workers' side I say that we shall make every possible effort even to the extent of sacrificing the wage, even to the extent of diminishing our legal dues. We want to work in the factories, we want to save the institution; we want to save the public sector units because the death of a public sector means the death of this country's independence, economic self-reliance and the democratic progress. Together with this, we have got the Ministry of Industries to look after these sick industries. And the sick

industries are being looked after by the Ministry of Industries as at present. The Ministry of Industry should develop for the further expansion of the industry and for speedy industrialisation. But so far as sick industries are concerned, it must be dealt with by a separate Ministry, so that it can get the attention, so that it can draw the attention of the Ministry and the Government so that the sickness can be avoided and even the revival of that sick unit can become an urgent issue with the Government.

My second suggestion is that even the budgetary provision is there for the National Renewal Fund. I think, Rs. 500 crore or something more than that is there. But nobody knows how this fund has been utilised. Therefore, this House demands what has been the success or what has been the progress and how the money under the National Renewal Fund has been spent, is being spent or would be spent. What has been done with regard to the re-trade, re-employment and other objectives for which this fund has been created.

And the third and the concluding suggestion is that in the name of the VRS, the Government is forcing the employees and workers to get some relief under the Voluntary Retirement Scheme.

There is no guideline; there is no norm. The hungry worker of a small factory is forced to accept the VRS at a very low rate. Another factory where the trade union is a little strong, there is a higher rate. Therefore, if you consider that a unit cannot be revived at all, revival project cannot be accepted and if somebody goes out of a factory, then there should be a justified, legitimate compensation and that compensation should not be left to the employer and the management. Compensation quantum is to be determined on the basis of certain accepted norms, if need be; it should be a statutory provision.

Sir, if that is done, I think the workers of our country who are today unfortunate and have not been paid their wages for months together, there should be some relief which may be provided to them. Sir, I conclude and say that please bear in mind that what I say, I say on behalf of those suffering workers whose bread is being snatched away by you. Remember it. If you fail to take note of it, the people in the State will decide the fate of this Government. We are prepared to deal with the matter, take this matter in the street because that seems to be the only way out to get rid or to get justice from this Government.

Thank you and I again support the Resolution moved by Shri Sudarsan Raychaudhuri and I express my gratitude to him for raising these important issues at this very critical period of time.

[Translation]

SHRI MANJAY LAL (Samastipur) : Mr. Chairman, first of all I thank Shri Sudarshan Ray Chaudhury for having brought forward such an important resolution. It is very

serious matter. In the resolution, he has tried to highlight four things - Firstly the number of sick public undertakings is increasing, secondly, the workers are not being paid their arrears, thirdly these units are not being revived and worked and fourthly, how the workers will be able to get the arrears.

Government itself has not revived its sick units. Most of the Government-controlled units are sick. They are being run by private industrialists. These industrialists declare such units sick to usurp funds taken from public banks, to open other unit at some other place with the paraphernalia of the unit declared sick and to misappropriate the funds of the workers and thus they run other industries. The Central Government or the State Government take over the sick industries. The Central Government is not a hospital where they should take over the sick units of the private capitalists and run them. If the Central Government, while taking over such sick units also takes over other economically viable units of the private industrialists concerned, then no capitalist would dare declare a unit sick so soon. This will help workers get their money and no unit will be declared sick. Therefore, Government should change its policy and while taking over the other running units of the private industrialists and tell them that we do not run hospitals and take over their economically viable units as well. Thus, they will not declare their units sick.

Sir, we take over the sick units and run them at a loss. There are a good number of such private units in Bihar. Many of them have been taken over by the Government. But they are running at a loss. Such units should not be taken over at all. If units are to be taken over and then both types of units i.e. sick and the economically viable should be taken over. In the Central Government's Ashok Paper Mill in Darbhanga, thousands of workers used to work. Today that unit is sick. Government should revive that unit. Reference is often made of the National Renewal Fund, wherein crores of rupees are lying. The policy of golden handshake has been introduced for the workers. It is said that the workers are imparted training and engaged in other industries. But in actual practice, it is not so. There are many centres all over the country. It is said that persons whose services are dispensed with on the allurements of golden handshake, will be given training. For such training, aid-centres have been opened but in no centre, such workers have been trained and engaged in new units. I request that the sick units should be revived with the help of the funds from the National Renewal Funds.

Sir, units should not be allowed to be declared sick directly. We should try to run industries by ensuring workers due participation in management. The Union leaders are ready to takeover sick units but they are not consulted before declaring a unit sick. This puts the workers in serious trouble and the production of the country suffers, poverty as also the regional disparity increases. In our Dalmianagar, there are many industries belonging to big capitalists. All these units have been declared sick and lacs of workers have been thrown out of employment. Workers, farmers, Riksha-

pullars and other poor people deposit their money in Banks and with the money of these poor people, the capitalist run their industries by taking loans from the Banks and thereafter these capitalists declare their such industrial units sick. Thus they digest all the Government money and thereafter Government takes over such units and run them at a loss. The Unions and their leaders are not even consulted in this regard. The Government should not take over such sick units. Government should instead take over economically viable units so that the industrialists may not be able to declare their units sick. Keeping in view the interests of the country and of the workers and also for increasing production our friend has suggested that the Government should revive the sick units expeditiously on the said units can be run with less money in consultation with the unions. The workers would be ready to work with less wages because

[English]

'Something is better than nothing'.

[Translation]

Now-a-days the number of unemployed is increasing. These unemployed people should be given training under the National Renewal Fund and provided employment in right earnest. The sick units should be revived in the interest of the workers and their arrears should be paid to them. I find that thousands of workers in Bihar have been driven to the brink of starvation after the units have been declared sick. (Interruptions)...

[English]

MR. CHAIRMAN: Now, three hours have been consumed. There are nine more Members in the list.

[Translation]

SHRI MOHAN SINGH (Deoria): Sir, you please allow every Member to speak for five minutes each.

[English]

MR. CHAIRMAN: How much more time do we extend? Is it the wish of the House to extend the time by one more hour?

SOME HON. MEMBERS : Yes.

MR. CHAIRMAN: Okay. Now, you can continue.

[Translation]

SHRI MANJAY LAL: That is why I want that the four suggestions made in the resolution should be accepted and this resolution be passed. Government should address itself to these four issues with full responsibility.

With these words, I thank you for giving me an opportunity to speak.

[English]

SHRI HANNAN MOLLAH (Uluberia): Mr. Chairma, Sir, first I would like to express my support to this Resolution for the revival of the sick public sector undertakings brought forward by Shri Sudarsan Raychaudhuri. I also join all my colleagues in expressing the concern for the growing number of public sector units getting sick day by day.

Already out of 238 odd public sector units, almost 54 have been brought under this 'hit list'; and many more may be in the pipeline. Many things have been said by my colleagues who spoke earlier, about the details of the sick industries, their problems etc., and they have made suggestions also. I want to look at this problem from a different angle. Actually I would like to educate the hon. Minister—friend—not in the Enron way because Enron is educating in a different way in Maharashtra, but in a friendly way.

Now, my submission is this. If we look at the history of industrialisation in India during the British days and after Independence and if you look at the role played by the public sector and what should be our duty towards that, then we should see one more thing. We are Indian people and the whole world would be very much grateful to the mothers; and it is because of our mothers only, we are in this world. But can you say that when the mother is old, you can kill her? Can you imagine? It is inhuman, it is uncivilized; and it is beyond anybody's capacity to understand that we are taking such steps when dealing with those public sector units because public sector undertakings are the mother of Indian industry.

In those days we had our old industries, the traditional industries. When the Britishers came, that imperialist force wanted to exploit the cheap raw materials, cheap labour and maximise their profit. It is their real interest. When they came, they first found the properties and they wanted to exploit it. So, they destroyed our traditional industries. You know, Sir, how they have cut the thumb of our weavers. We once produced the best *Muslin* in the world. To stop that, the Britishers cut the thumb of those weavers in those days and also because they wanted to set up their own textile industries.

Our traditional textile industry was destroyed. They started it in that way. They came and started setting up the industry. They had no love for India. So, they set up the industry at certain places, like Calcutta, Madras, Bombay, around the sea ports and not all over the country, not in Shillong nor in the North eastern region. The imperialists cannot do that. The Britishers, with the imperialist interests in their mind, selected those places and industrialised certain areas. You have seen that this unevenness of industry started from that time. It is still going on. We are harping on unevenness of industrialisation. The Britishers started that. But they did it from their own interest. You know what had happened. The vast part of our country was left without industrialisation. Our traditional industries were also destroyed by those foreign enemies.

Next, what we see is that for linking those industrial zones, the Britishers put railways on the Indian map. Earlier, we had no railways. When railway lines were laid, one of the great thinkers of this world, Karl Marx, said:

“Railways is the forerunner of modern industry in India.”

Wherever railways go, industry develops and it spreads all over the country. The industry will spread. Ancillary industries will also develop. With that understanding, he said so. But after seeing the results of spread of railways, the same Karl Marx said that railways became useless to India. He expected that industrialisation it would spread. But when he found that it did not spread, he said that it had become useless to Indians from the industrialisation point of view. This is the situation. But those were the activities of the imperialist forces. They had no love for India ... (Interruptions) Marx as a social scientist observed the society and after observation, he came to a conclusion. ... (Interruptions) Unfortunately, we continue with that tendency of unevenness during the British days.

You know that after Independence, we had accepted the policy of mixed economy. In our Constitution, the Government was not directed for industrialisation. In our Constitution and in the Directive Principles, the small scale cottage industries are there but not industrialisation. Initially, we thought that people will invest money and industry will grow. But what had happened? No big investment was made. Wherefrom will we get the money? So, the Government decided to invest from the tax paid by the people. That is the source of investment in India. After Independence, we thought that the private sector will grow but it did not grow. Then, Government was forced to take a decision that public investment was necessary.

This was the beginning of our industry. The Government taxed the people. A portion of that money was invested and public sector units started developing. Because of that, we had a dual policy—the private sector and the public sector. But the private sector will not go and only the Government will go for huge investment in infrastructural industry. Actually, the Government will invest in those areas where big investment is necessary and development of infrastructure is needed. For that, the Government invested the money. That policy was implemented by Pandit Jawaharlal Nehru. Now that name is allergic to the proponent of the new economic policy of this Government.

17.00 hrs

So, Pt. Nehru propounded and implemented the policy; the public sector developed and our energy, mines, steel and other public sector industries developed through that policy, namely, mixed economy. But after 45 years, now this Government had decided to give a go-bye to that policy. The public sector laid the foundation stone of our industrialisation and developed the country aiming at ending that unevenness. Now, we find that this Government has given a go-bye to that policy and that mother industry is

now the target. You know that we are accepting the advice from those who are not our friends. They know that if we develop our public sector industries, we will not be dependent on them; we will be independent and self-sufficient. So, those big foreign powers want to unarm us and make us totally dependent on them. This is their purpose in their business. That friendship is not their in business. They are teaching us to dismantle whatever we have built up. They say, "You run the Government. Why do you go in for business? Government's job is not to run business. You maintain army, beat the workers and people and you do whatever you like. But business is different. It is meant only for business men." They are selling this advice to the third world countries and the ruling party of the third world countries are buying this policy and destroying their own base. So, here is my criticism, Sir. It is like killing our own mother. Our mother industry, that is, the public sector is at the advice of our enemies outside our country. This is the situation. Therefore, I want to request the hon. Minister not to forget the history. No nation who forgets its history can survive in the world. We should not forget those 200 years of British age, how industrialisation developed, how after independence, we tried to stand on our feet and what our forefathers did. And now, we are going to give a go-bye to that policy. This is my concern. I request the hon. Minister to think over it and mobilise all the forces and resources at his command to strengthen and command the public sector and thus we strengthen the basis and foundation of our independence.

Sir, we have already seen the position of 54 public sector units. The list has been placed by several Members. I am not going into the details of those units. I only request the Government to reconsider the policy in the name of new economic policy before we destroy our own public sector and surrender before the IMF and World Bank and later on be dependent on them.

You know that after independence, in the field of heavy industry, 22-25 per cent of our machines were produced in our country and 75 per cent of the machines were imported from abroad. But after the role played by the public sector in the early 1970s, we saw that we produced 75 per cent of the machinery and imported only 25 per cent of the machinery. That means our public sector gave us the base. After the performance of the public sector, the situation became reversed. We produced 75 per cent of the machinery and imported only 25 per cent of them. But now, they are afraid that if we improve the performance of BHEL and HMT and other big units, we will develop and will not be dependent on them and by this, they will lose their market. So, they started advising us. Our Ministers visited and our bureaucrats visited and they educated us in a different way. They educate their family and children. Ministers' children and bureaucrats' sons get free education in America and London and they are paying in different ways. Their money is being deposited in foreign banks and in that way, they purchase the heads of our country. In that way, the unpatriotic forces who are in the Government and bureaucracy

surrender and ultimately, decide to destroy our public sector. Here is my complaint against this Government, Sir. So, I would request the Government to think over it again and come back to protect our public sector. I request them to develop and strengthen it because it gave us the maximum employment. Private sector did not give employment. Major employment is given by the public sector. Better wages and facilities are given by the public sector. But now, we will throw it into the unorganised sector. Unorganised sector means there will be no security and no right. Workers will be taken and thrown out at the sweet will of the management. So, this will be the situation if we surrender. I do not want to go into other parts. My friends have already placed their views about the industries and sick industries. Comrade Chitta Basu has placed his suggestions. So, I will not repeat all those suggestions. I think if those suggestions already placed by my earlier comrades are accepted, public sector will be saved and our country will be saved.

With these words, I conclude.

SHRI K.P. REDDAIAH YADAV (Machilipatnam): Hon. Chairman, many hon. Members have spoken on the Resolution about the revival of sick public sector undertakings under the control of Central Government. We have been debating this subject for the last three to four years. No citizen of the country desires that public sector undertakings should be handed over to private parties or that its importance should be undermined. Everybody is interested in the public sector. But so far, as some hon. Members alleged, during these four years, none of the workers in the public sector undertakings were retrenched. If they were retrenched, they were paid compensation according to the norms and trade union agreements. Our Prime Minister has seen to it that no public sector undertaking is made sick and wherever there are sick units, they were referred to the BIFR according to the wishes of the Lok Sabha. Sir, there is one main reason in finding a solution for such vital issues. One should not stick up to his own ideology; we have to identify and locate the actual lacunae and the we have to give solutions. As Mr. Hannan Mollah has said, it is a fact that when we achieved independence, we used to import most of our capital goods from abroad. But now, the situation is reverse. We are in a position to export sophisticated machinery. We are at an advanced stage in software technology, space technology and many other things. There is no dearth of efficiency or experts in our country. The only thing we are lacking is some sort of a political will and maintaining accountability. Such things will solve the problem.

The main problem is from the public sector undertakings. Suppose we have now switched over to liberalization inviting the multi-nationals or private parties to establish, to put their industries in all the fields viz., telecommunication, power sector and so many other important and vital sectors.

Now, we will analyse, 'why the public sector undertakings are running in red, going continuously incurring losses?'

One major thing is to fulfil major social obligations. Suppose, take the power sector. It has to fulfil major social

obligations of the society as decided by this House itself. Many Electricity Boards, in this country, have to forego nearly one crore of rupees by way of giving power to the agricultural pumpsets. But the Government is not making good of the losses sustained by the power sector. But you want to compete with the multi-nationals.

The second thing is that there are horrible labour laws and unionism. We have got over-employment, in almost all the public sector undertakings, which is eating away 50 per cent of its resources. It is we who have made all these losses. Therefore we cannot compare the 'profit and loss' of our undertakings with the multi-nationals or the private organisations.

So, the two main problems which our public sector undertakings are facing, are: 'social obligation' and 'over-loading of staff'. It is a fact.

The third main problem, in my opinion, is 'not observing the principle of accountability'. We have let loose the public sector undertakings by interfering with the unionism of political interference, thereby, there is no check over the public sector undertakings. No accounts are maintained, accountability is given up by the public sector undertakings, in the recent past. Earlier it was very good. But now, with the result of this, some people with vested interests have intruded into the public sector undertakings and made them to suffer sustained continuous losses. It is a fact and nobody has checked it. The lack of interest by the units, lack of interest by the union leaders have created such a situation that the persons managing the affairs of the public sector undertakings are not checked at any level. Had the unions been in a position to check the maladministration or corrupt practices in the public sector undertakings, this type of situation would not have arisen.

Therefore, Sir, there are three major problems viz., 'social obligations', 'over-loading of staff' and 'corruption' which are responsible for our public sector undertakings to sustain losses. We have to eradicate these problems.

Now-a-days, the budgetary support also have been withdrawn by the Government of India. It is natural that always, they cannot feed any public sector undertaking with the public money. Therefore, we are in such a situation that one the one side, the privatisation is taking place with rapid speed, and on the other side the public sector undertakings are sinking down.

So, what is the solution? The solution is that we have to make these two organisations at the level playing ground. These units should be allowed by changing the basic Memorandum of Understandings and Articles of Associations by making a corporate body—to have their own finances, to have the right to borrow the money from the IDBI, ICICI, World bank or from abroad, etc., Just like the private parties which are giving the public issues, entering the capital market. It can also attract the public money into the public sector undertakings.

Then only they could be self-sufficient with regard to their financial position.

Sir, one thing we have to understand very clearly. The process of liberalisation and the present laws governing the various labour unions cannot run parallel to each other. Either we have to do away with the public undertakings or we have to forego certain laws governing the labour unions in the country—both these cannot work together. On one side, the private companies—multinational or Indian—are not overburdened by such laws, and on the other, the public sector undertakings are over loaded with fulfilling social obligations, political interference and labour union laws. Therefore, if we amend the labour laws suitably then only we could hold the public sector undertakings thoroughly accountable for their functioning. I urge upon the government of India to bring forward a comprehensive legislation seeking change in the present laws governing the labour unions in the country. It should be amended on the lines of the laws that are applicable to the labour unions of the private companies. It would create a level playing field and help the public sector undertakings to compete with each other. It would also help in reviving as well as restoring the glory of the public sector undertakings. Otherwise, with the recent decision of the Government, of not giving any budgetary support to the public undertakings, they would sink down.

Sir, the other point is, by blindly going in for privatisation, by inviting multinational companies in this country, we would be doing serious harm to this country. Therefore, we have to strike a balance, otherwise history would not forgive us.

Sir, the Government has decided to give the contract for certain power generating units to the private companies—Indian or multinational, whatever it may be. What has happened? We, in our country have got giant public sector undertakings like BHEL and NTPC. The performance of these undertakings in terms of efficiency and cost-effectiveness could be compared with organizations of the advanced countries of the world. With an investment of Rs. 1 crore, they have produced one megawatt of power. Now, BHEL is prepared to produce one megawatt for Rs. 2.5 crore. A decision has been taken to give them Rs. 4 crore or Rs. 5 crore.

The companies to whom the contracts for the power generating units have been given, they are paying Rs. 1 lakh, or Rs. 50 thousand per month towards salary for the engineers of BHEL and NTPC. As a result of that the process of brain drain has already started.

After sometime there will not be anybody left to manage our thermal stations and BHEL units. Finally the alternative for the Government or for any country is to say, 'you are managing some already, you manage this also', and hand them over. Such a situation would arise.

We are not opposing privatisation; we are not opposing multinationals, but we want them to have accountability. Why did you overload the public undertakings first and then

ask for efficiency and profits? At the same time you are giving double the rates to the private sector than those that are given to the public sector undertakings and that too without insisting on the union laws and other things, and then you are comparing the public sector undertakings with the multinationals. This is very wrong. I challenge that the public sector undertakings will function more efficiently and will earn more profits than the private organisations, provided both of them are put on a level-playing ground whether it is in the case of getting funds, giving employment, or application of labour laws, unionism, bonus etc.

I do not want to go into things like who is accusing the Government and who is accusing the Opposition. I insist the Government to prove to Indians that they are not against the public sector undertakings, nor are they favouring the multinationals unnecessarily ... (Interruptions)... and that every facility is being given to them equally and that they are being treated on a par at level-playing ground. Then, and then only if our public sector undertakings do not come up to the required standards of the market, you declare them sick to which we will agree.

Sir, the problem in the country is, we are not assessing as to what is happening. We are simply accusing the Government and the Government in turn is accusing the Opposition. The people are in a confused state. They are unable to understand as to who is right and who is wrong. This is the situation that is prevailing in this country. India, with its population of 90 crore people cannot go all-out for privatisation. When the people feel that the public property is their own property, then only its safety can be ensured. When they feel that Indian Railways are theirs, then only Railways will run safely without the necessity of a single policeman. The moment they go into the hands of private people, you cannot control the thousand of lakhs of kilometres of Indian Railways, or the giant steel manufacturing factories, or any other public sector undertaking.

We might be incurring losses in some undertakings, but it does not matter. It is only a manipulation of accounts. The efforts that have been made by our leaders right from the days of Pandit Jawaharlal Nehru and Shrimati Indira Gandhi are cherished by the people even today. The intentions, the forethought, and the advanced thinking of Pandit Jawaharlal Nehru in respect of industrialisation of this country are cherished by the people even today. Therefore, Sir, we should not undermine all these things. If there is any trouble, explain it to the people in full detail. Then only people will listen to you.

I, therefore, urge upon the Government to provide more funds to the undertakings. The Government cannot provide more funds ... (Interruptions) ... Sir, the Jeypore Power Project at Kakinada in Andhra Pradesh has been given Rs. 800 crore. I will give you an example here to put it in simple terms. Let us suppose that I have been sanctioned a loan of Rs. 4 lakh to purchase a car which actually costs

Rs. 2 lakhs only. The Bank officer asks me to deposit 25 per cent of the amount i.e. Rs. 1 lakh in advance. I take a loan of Rs. 1 lakh from Shri Arunachalam and deposit that amount in the Bank. The Bank gives me a cheque for Rs. 4 lakh. Price of the car is Rs. 2 lakh only. I pay the price of Rs. 2 lakh and purchase the car. Then one lakh is there in my pocket after paying back Rs. 1 lac loan and Rs. 2 lakh, cost of the car. That is the type of privatisation that is going on in this country. This is there in case of some items but not in all, I agree.

Therefore, be careful; Indian masses are not in a sleeping mood that they cannot understand your manipulations. It is the self-respect of the Indians that is at stake. Taking all these things into account, come with accountability. Put the public sector undertakings on a par with the private organisations and I challenge that these PSUs will prove to be more profitable and more efficient than any other MNCs.

With these words, Sir, I conclude and thank you for giving me the opportunity for participating in the debate.

SHRI SRIBALLAV PANIGRAHI (Deogarh) : Mr. Chairman, Sir, I thank you for having provided me an opportunity to participate in the debate on the Resolution moved by our hon. friend, Shri Sudarsan Raychaudhuri, on the sickness of the public sector undertakings and also on the arrears, dues, etc. of the employees.

Sir, particularly the sickness in public sector undertakings is undoubtedly a matter of concern for all of us and also for the Government. It is something where politics should not come into play. This subject has a lot of bearing on our economy, not only on our economy but also on the concept of democratic socialism to which we are wedded to. The Congress Party had adopted this Resolution of democratic socialism much earlier. Sir, the reputation of Pandit Jawaharlal Nehru, who was our first Prime Minister, was worldwide. He was known as a socialist. Much before Independence also, Sir, you know, he was always associated with the Congress Party very actively and he was presiding over the Congress Sessions. He was the President of the Congress Party for several years and he enjoyed the Congress Party Presidentship for several terms. Before Independence also, the concept of planning, land reforms, socialism and all those things were very very dear to Pandit Jawaharlal Nehru. The Congress Party was having a Planning Committee with Pandit Jawaharlal Nehru as its Chairman in 1940s. Pandit Jawaharlal Nehru had also produced a document detailing all these socialistic programmes. And that way, public sector is not just a new idea or a post-Independence idea. It developed in the post-Independence days. Before that we did not have our say in our matters.

At the very outset of my intervention in this debate, I would like to pay glowing tributes to the memory of Pandit Jawaharlal Nehru, the great son of India and the world. As

you know, Sir, he was the chief architect of the modern India and also the public sector was given a commanding height during his time, not only a commanding height in our economy during his times but thereafter also it continued to enjoy this commanding height.

Today, there has been some criticism from the other side. I do not think, as I told you, politics has got anything to do with this. It should not be allowed to come into play in this discussion. I can only say in one sentence that no political party has any moral authority. I underline, I repeat and I emphasize that no political party has got any moral authority to blame Congress for this policy of mixed economy and for the industrial policy, that are being pursued right now by the present Prime Minister. I can say substantially this, because different political parties are in charge of Governments in different States. As for example, in West Bengal we have got a Left Front Government but it is a CP (M) Government. Dominantly they are the Party there. What has happened to the Great Eastern Hotel, which is a public sector company?

AN HON. MEMBER : Nothing has happened.

SHRI SRIBALLAV PANIGRAHI : You analyse that. Are you not selling it ?

SOME HON. MEMBERS : No.

SHRI SRIBALLAV PANIGRAHI: Are you not negotiating for it? For how many private entrepreneurs your Chief Minister is laying red carpet for them to come to West Bengal? Do not say that. I am trying to make it apolitical, keep it above politics. In Orissa, what happened? When the Janata Government was there, very good chrome mines, the best mines were handed over to Tatas for a song. So I say no political party has any moral authority to condemn. But this is a very serious matter. Let us realise it. We have placed ourselves in a very, very peculiar situation. (*Interruptions*) Please do not disturb me.

SHRI UDAY PRATAP SING (Mainpuri) : With regard to Orissa, there, at least, the party concerned is an Indian company. Tata is an Indian national and if he has got something for nothing, I do not think we should blame the Government.

SHRI SRIBALLAV PANIGRAHI : I am just exactly coming to that. (*Interruptions*)

Again coming to public sector vis-a-vis private sector, you see there are Indian entrepreneurs and foreign entrepreneurs. There are some public sector companies which are doing excellently. There are some public sector companies which are constantly making losses. So can you equate both these two? What will you do with those perpetual loss making public sector companies?

As I said, again coming to private sector, there are Indian companies and foreign companies. I will give you

one simple example with regard to fertilizer. It so happened that American fertilizer was used to be sold in the Indian market at prices less than that of our indigenous fertilizer. Now can you tell the farmers, that because this is Indian fertilizer, you should pay more, take it and just hate this American fertilizer? We have to encourage, very precisely I say, the public sector. This is number one.

But in public sector also, we have to create a situation whereby it becomes competitive with private sector. We have to create a climate in this country. When I say, 'we', I mean the political people, the Government, the work force, the trade unionists, the managements and the business people. All those people together can create a market wherein Indian private sector can be competitive, can stand in competition in the world market. Otherwise, in today's world, what will we do? Just look at former Soviet Union and look at China and tell us the real position. In this background, what we have got to do? I can tell you that I am an ardent supporter of public sector. But in today's scenario, we have also to be practical.

Again, so many demands are being made. We have to fight out poverty. We have also to invest lot of money on anti-poverty programmes and at the same time we have also to go in for rapid industrialisation. Wherefrom do we get the money? The condition of the people is such that we cannot go for heavy taxation. If there is taxation in the Budgets it is opposed tooth and nail by all of us.

So, in such a situation what I mean to say is, that we had 237 central public sector enterprises. An enormous amount of money has been invested in the public sector totalling roughly Rs. 1,40,000 crore! This is a very enormous amount. This has been invested in the public sector and naturally there is an expectation of a return. Where is people's money going under this public sector? If it is not properly utilised, if there is no expected return, say of a minimum of about 10 per cent — I do not say 20 or 15 per cent — what sort of effect or influence will it have on the economy of our country? May I mention what the return is? It is 2.4 per cent!

This, as I say, after the public sector having been assigned a place of commanding height in the Indian economy. The public sector did create a massive capital intensive infrastructure which the private sector could not have or might not have been able to venture in the post-Independence era. That is what I say. Pandit Jawaharlal Nehru was a visionary and he was also having practical wisdom. That is why a bid to industrialise India was there because at the time of Independence India was a country where even a pin or a needle was not manufactured. But today over the years, because of our Industrial Policy, because of our emphasis on public sector earlier private sectors were coming forward. At that time the MNCs were not coming forward. We had to invest money. What is happening today? We are one of the 15 most industrially advanced countries of the world. Is it a small achievement? Is it a mean achievement?

SHRI K. P. REDDAIAH YADAV: From one side, you are praising the public sector; you are confusing. During Pandit Jawaharlal Nehru's time it was achieving the maximum profits. Now it is not. Who is responsible for it? (*Interruptions*)

SHRI SRIBALLAV PANIGRAHI: I am coming to that. If you are determined to confuse yourself, I cannot help. If there are people who would like to confuse themselves I cannot help them. I say that I am an ardent supporter of the public sector. I say that because of the commanding heights achieved or the prominence attached to it we have come to this stage now. But at the same time I did not say that with the investment made in the public sector the rate of return was abysmal.

SHRI MOHAN SINGH (Deoria): Thank you.

SHRI SRIBALLAV PANIGRAHI: Yes, Thank you. I thank you very much. You go and try in your State also.

In this background what I say is that the concept of the private sector derives its roots from the freedom struggle. But what happened? According to a study, what are the reasons for the sickness of the public sector? About 52 enterprises are before the BIFR. I do not agree with the assessment of that study. They say that upgradation of technology was needed and our technology became outdated as many of our public sector undertakings had gone sick. That was the main reason.

The second reason is over-employment. At least one-third more workforce is there. This is also correct. At one time we thought that it does not matter whether public sector makes profits or incurs losses.

These public sector undertakings have to serve some social objectives. They have to provide employment and regardless of profit and loss aspect, people were employed in these public sector undertakings. But this is also bad.

But I say that there is a third reason also which is missing in that report and that is about mismanagement of the public sector undertakings. The Managers of the public sector undertakings—I am constraint to observe—have behaved in many places like Rajas, Maharajas and industrial princes, etc. There was a lack of belonging in the executives.

As far as public sector undertakings are concerned, I would say that in our colloquial terms they say :

[*Translation*]

"Let things belonging to the Government go to dogs."

[*English*]

That means if something belongs to the Government they do not have any interest in it. So, let it go to dogs. (*Interruptions*). You have formed the Government in West Bengal. You were a part of two regimes here also and you were lending support from outside. So, do not say that. I

am taking it up above politics but you are trying to pull it down. I say that this is the background.

In West Bengal, there is a place called Haldia. There will not be a single instance parallel to the whole of the world. One unit of Hindustan Fertiliser Corporation is there. Do you know what is happening there? About fifteen to seventeen thousand employees are working there and about Rs. 800 crore have been invested there. That unit has completed a decade. However, the beauty is that it has not produced even a grain of fertilizer. (*Interruptions*). In spite of all these things, no responsibility has been fixed; no head has rolled. What is happening there? The workers are sitting idle there. But they are drawing salaries and they are getting a minimum bonus of 8.33 per cent. They also got two rounds of promotions. But this is the situation. I think, nowhere in the world such a thing has happened. But we are tolerating it.

17.42 hrs

(SHRI NITISH KUMAR *in the chair*)

So, if we are responsible, then you are also equally responsible. If the Government of India decides to close down that unit, then you will rise in revolt in West Bengal.

Sir, two days earlier, our hon Minister of Textiles, Shri G. Venkat Swamy, came up before the House with the Sick Textile Undertakings (Nationalisation) Amendment Bill. What was the spirit of the Bill? The spirit was to nationalise about 15 sick textile mills and that goes to speak in volumes about the objective of this Government. That shows that the Government is pro-public sector and pro-labour. So, the Government is not anti-labour and anti-public sector. (*Interruptions*). The Government could have said that we will close down all these public sector undertakings.

So, we have to collectively address ourselves to this challenging and peculiar situation wherein the public sector can be made competitive and can work satisfactorily. Again in the industrial scenario, be it public sector, be it private sector, the Indian entrepreneurs can stand in competition in the international market. So, this is the challenging situation which I want to emphasise.

As I said, our present Prime Minister also has categorically stated that the Government is for a mixed economy and we cannot just close down the public sector undertakings. But what to do with those public sector undertakings which have gone sick and which are not capable of revival? They have to be closed down.

As regards the workers, the need of the hour is to go in for a new work culture with accountability fixed. The public sector managers will have to be made accountable. At the same time, they should be given more freedom also. So, accountability should be there with some more powers and freedom. At the same time, there should be workers' participation also. There are both public sector units as well

as private sector units located in my constituency. But when I go to a public sector undertaking, whatever the status of the undertaking may be, the worker who is working there can say that it is his own plant. But however properous a multinational enterprise might be, it may be a Tata's concern or a Birla's concern, a worker there cannot say, with his hand placed on his chest, that concern belongs to him. That is the difference. In a democracy of our nature, where we are all wedded to democratic socialism, we have to encourage public sector. Take, for example, the Maruti Udyog. What sort of controversy was there when Maruti car was first introduced in Indian markets? But Maruti Udyog is a matter of pride now. Maruti Udyog has been instrumental to the modernisation of automobile industry in the country. Before Maruti, Ambassador, Fiat, Birlas and other industrialists were just making money.

Take the Public Distribution System. The entire requirement of the country is not catered through PDS, but, to a certain extent, PDS has a role to meet the requirements of the poor and the down-trodden people of the country. It influences the food markets also.

SHRI AMAL DATTA: Maruti is no longer in public sector.

SHRI SRIBALLAV PANIGRAHI : When it was in public sector, how critical all the Members of Parliament belonging to those benches were?... (Interruptions)

[Translation]

MR. CHAIRMAN : The time for this resolution is over. The time was extended for one hour. Should we extend the time further?

SOME HON'BLE MEMBERS : Please extend it for one hour more.

MR. CHAIRMAN : It is alright. The time is further extended for one hour more.

[English]

SHRI SRIBALLAV PANIGRAHI: So, I want to say that most of the public sector undertakings cannot be undermined. At the same time, public sector cannot be a sacred cow. We have to make it profitable, and for that, a new work culture has got to be evolved. In that context, workers' participation is a must.

The workers should have a feeling and sense of belongingness. If it is not there with the officers and workers it will be difficult. There should be some accountability and freedom also. They can get some monetary support and revival, if they like they can go to the market and arrange for funds by way of equity etc.

Sir, as you direct, I would like to conclude now. If we put money be it in private sector or public sector, and if an industry goes sick it is an overall loss leading to loss of production, loss of employment and loss of revenue. All

these will result in very difficult situation for the nation to bear with. Even lock-ups also are waste of funds.

With these words I thank the Government for having prepared very practical packages in respect of a number of sick units. There are cases of IDPL, Cycle India etc.

MR. CHAIRMAN : Please conclude now.

SHRI SRIBALLAV PANIGRAHI : Yes Sir. The other is a package on fertilizers. I can give one instance in this regard.

MR. CHAIRMAN : No more instances. Please conclude now.

SHRI SRIBALLAV PANIGRAHI: Yes, sir, I am concluding. Please allow me to conclude. ... (Interruptions)

MR. CHAIRMAN: I am only asking you to conclude.

SHRI SRIBALLAV PANIGRAHI: I know I have to conclude. ... (Interruptions)

MR. CHAIRMAN : Please do not argue with the Chair. You conclude your speech.

SHRI SRIBALLAV PANIGRAHI: I want to conclude now.

There are cases before the B.I.F.R. All the cases that are before it have to be expedited. There is a package for fertilisers. The F.C.I. has a unit in Talcher. There is another unit of Heavy Water nearby which comes under the Ministry of Atomic Energy. But it is linked to fertilizers. It should be revamped ... (Interruptions)

MR. CHAIRMAN : Why are you not concluding ?

SHRI SRIBALLAV PANIGRAHI: Sir, there is no justification for the closing down of this Heavy Water unit. The Government should reconsider about it and the B.I.F.R. has got to be speeded up. A lot of delay is taking place there.

MR. CHAIRMAN: Yes. Shri Syed Masudal Hossain to speak now.

(Interruptions)

MR. CHAIRMAN : Excepting what Shri Masudal Hossain speaks, nothing will go on record.

(Interruptions)*

SHRI SRIBALLAV PANIGRAHI : With these words, I conclude.

[Translation]

SHRI SYED MASUDAL HOSSAIN: Mr. Chairman, a poet has said—We are maligned, even if we sigh; but none utters a word even when they murder. (Hum aah bhi karte hain to ho jate hain badnam, voh katl bhi karte hain to charcha nahin hota!) Mr. Panigrahi said that in the opposition, we have people who do not have moral authority even to

discuss. The industries, particularly those in the public sector, are in a sorry state because of the misdeeds of your Government. Whenever discussion takes place in this regard and when there is demand for saving the industries, then it is said that the needed work culture is not there. That is why all this is happening. I shall conclude after making two or three points.

Public Sector is in the hands of the Central Government and therefore it is the responsibility of the Central Government to keep it in good shape. The entire mess is attributable to their wrong policies. They pay no attention towards management. They have introduced new economic policy and new industrial policy. Now they are trying to close down units at random. It is the state of affairs everywhere. But I feel that if we try sincerely we can save at least fifty per cent units. The units that have become sick can be revived with your little support. The workers are not against modernisation and diversification. In fact they want modernisation and diversification. But what is your intention? Do you pay any heed to these things? You pay more attention to sell land belonging to the units. you have of late taken a decision about NTC, advising to undertake modernisation after selling land etc. Why could not you extend some cooperation to NTC? If even after selling the land, the unit again falls sick then what will you do ... *(Interruptions)*... You would then close it. That is exactly your intention. You try to put all responsibility therefor on workers. I would like to cite an example here. Shri Ajit Panja ji of my state is sitting here. The other day he was advising on top of his voice that you first bring work culture in West Bengal. Shri Bhatia is also present here who will bear me out. You know that there is a small Central Government undertaking known as Hindustan Vegetable Oil Corporation in Barasat. You very well know it because you have been the Minister of that department. When you were Minister of Public Distribution, Hindustan Vegetable Oil Corporation which was the Gons Mill at that time, had been lying closed for the last one year and had incurred a loss of Rs. 60 lacs. We approached Kamaluddin Saheb to intervene and had it opened. It worked for five months and not only made good the loss of Rs. 60 lacs but also earned the profit of Rs. 50 lacs. You have not so far confirmed the casual labour there. You are not prepared to give them any raise in their wages. To add insult to the injury, you deprived them of their uniforms. The agreement has expired. You are not paying them even their dress allowance. Bhatiaji is present here. The workers of the Hindustan Vegetable Oil Corporation should have been made permanent within one year. But you have been dragging them for the last five years. What work do you want to take from them? In the VRS, you say that the workers should be retrenched. You ask workers to take money and leave. You have retrenched 26 per cent workers in the Hindustan Vegetable Oil Corporation. May I ask how many managers have been given VRS? You have deprived workers of the uniforms but have you ever checked the telephone bills, STD bills, car expenses for the managerial staff? You are trying to shift all responsibility on the shoulders

of workers. Workers are prepared to work but you don't want to get work from them.

Sir, you mentioned about Haldia. There also this topic cropped up. It is a public undertaking of the State Government. It is the petro-chemical but of Haldia. It is a semi-Government undertaking. You say that there has been no production in that unit for the last ten years. Who was responsible for the production? In West Bengal, there is left front government. As such, it is the responsibility of the Government to get production there. You will not understand it, your total system is in disarray. There not a single grain of fertilizer has been produced for the last ten years. What was the reason behind it? Have you thought over it? We are also following your policy. You want to close the unit and retrench the workers. When private sector became sick you, while taking it over, had assured that you would not retrench workers. But you will retrench workers despite there being Government and trade unions including those of CITU and INTUC. What are these trade unions doing there?

18.00 hrs

The fact of the matter is that the Central Government has no policy in this regard. And wherever industrial units became sick you want to sell them; and send them back to public sector or to close them down. You want to sell their real estate and bring foreign companies in their places. You are welcoming foreign companies. Santosh Mohan Dev ji is not present at the moment. He says that even the West Bengal Government is welcoming the foreign companies. Yes, we, are also doing it but in a different way. The first difference between you and us is that you are acting arbitrarily whereas the West Bengal Government is doing it under compulsion, because West Bengal is not a separate state. It is also one of the states of this country and is obliged to follow your policies. We had asked for funds to set up industries but you did not pay us anything. So, will industries be not set up in West Bengal? The second difference which is the greatest difference, is that we take due care to see which company is coming from other countries—whether it manufacturers potato chips or computer chips. If a foreign company manufacturing computer chips comes and sets up industries, we will welcome it.

MR. CHAIRMAN: PMB time is over. You may continue next time.

[English]

SHRI SAIFUDDIN CHOUDHURY (Katwa): Mr. Chairman, Sir, before we take up the discussion under Rule 193, I have a statement to make. Yesterday, Mr. Rajesh Pilot assured the House that he will

[Translation]

MR. CHAIRMAN : You may make your statement later. First matters under rule 377 will be taken up.