

[Sh. S.B. Chavan]

succeed in getting the confidence of the local people. I agree with some of the hon. Members that the people there are pure and good in their hearts and by nature, they are cooperative. In fact, there is no reason to disbelieve them but some of the leaders definitely mislead them. They are emotional type of people and as they are being misled, it takes considerable time for them to come back to the original position. This is the whole difficulty in that area. Still I feel quite confident that if this approach is being adopted, if we concentrate on the development of that area and give them the feeling that what they wanted to achieve by some other method can be done by peaceful method, then we can succeed in getting most of the things that we are asking for. There is no reason as to why these people should adopt insurgency that they have been using so far. I can say this without any fear or contradiction. We are prepared to give them more money provided we are satisfied that the money is purely utilised and that is why, I am going to ask the Finance Ministry to send a special team, have the audit and financial discipline enforced in that area. There is rampant corruption because there are officers and others who have been indulging in some kind of indiscipline and undesirable methods. I am sorry that I cannot possibly deny when charges are made that there is rampant corruption because my information is also that there is rampant corruption and we have to see that we succeed in creating conditions in which we should be in a position to take actions against those who have been, in fact, indulging in corrupt practices.

Sir, I do not think that I should dwell on all other points. I have tried my best to explain most of the important issues raised by hon. Members. I must thank them all and I request the House to support this Resolution.

[Translation]

SHRI GEORGE FERNANDES: The names of the people who are working against the national interests have been mentioned clearly in the Governor's report...

MR. CHAIRMAN: He has already mentioned all these things.

SHRI GEORGE FERNANDES: Why action is not being taken against them?

SHRI S.B. CHAVAN: There is no need to raise this issue in the House. If we are satisfied, action will be taken.

[English]

MR. CHAIRMAN: The questions:

"That this House approves the Proclamation issued by the President on the 31st December, 1993 under Article 356 of the Constitution in relation to the State of Manipur.

The motion was adopted.

17.20 hrs

RESOLUTION RE: DISAPPROVAL
OF THE AIR CORPORATIONS (TRANSFER
OF UNDERTAKING AND REPEAL)
ORDINANCES
AND
AIR CORPORATIONS (TRANSFER OF
UNDERTAKINGS AND REPEAL) BILL

MR. CHAIRMAN: The House will now take up item Nos. 10 and 11 together, namely, disapproval of the Air Corporation

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approval of Air Corp. (Transfer or Undertaking undertaking and Repeal) Bill
and Repeal) Ordinance

(Transfer of Undertaking and Repeal) Ordinance, 1994 and Air Corporation (Transfer of Undertaking and Repeal) Bill.

SHRI BHOGEN DRA JHA (Madhubani):
I beg to move:

"That this House disapproves of the Air Corporations (Transfer of Undertakings and Repeal) Ordinance, 1994 (No.4 of 1994) promulgated by the President on January 29, 1994."

[Translation]

There are several reasons for moving my Resolution in the House. The first is as to what was the need for the Government to issue an ordinance when the session was about to commence. The dates for the Budget session were going to be announced soon and the issuance of an ordinance at that very time and thereby preventing its consideration has become almost a custom. It is the duty of the House to check this tendency of issuing ordinances just before the commencement of the Session and so, this House should disapprove such ordinances. The disapproval is also important for the sake of strengthening of our democracy and Parliamentary traditions. I am of the view that if this Government refuses to accept this view, then some members of the ruling party should muster courage to oppose it. If such a resistance is not forthcoming on their part then it becomes imperative for the members of the Opposition Parties to disapprove the ordinance issued by the Government. On the eve of the Session so that democratic traditions could be strengthened.

Mr. Chairman, Sir, the matter of prime concern is that our public properties are

being sacrificed in the name of realising the goals of New Economic Policy. This is a dangerous trend. There was a lengthy debate at the very outset when Public Sector was created. Even during pre-independence days, some schemes were formulated to decide about the future shape of independent India. One such scheme was then termed as Tata-Birla Plan. Another scheme was prepared or got prepared by Shri Jawahar Lal Nehru and it was called Nehru Plan, when there was a clash between the two plans, Gandhiji expressed the view that the Congress Party should not follow any plan and the decision in this regard should be taken after the achievement of independence. So the Congress Dal had no plans whatsoever in this regard. After a struggle of several years following independence and important policy of creating Public Sector in respect of certain essential sectors rendering nationwide services was adopted in the country. These were those basic sectors in which Private Sector enterprises were not ready to invest money even if they were handed over to them because they were not prepared to wait for longer periods to earn profits from there. Likewise, no foreign investor was ready to invest money in those sectors. In such a situation, those sectors were under the Public Sector. Mainly four types of industries viz basic industries, medium industries, small industries and domestic industries were included in the Public Sector. I think they are still important. Experiences of the other countries of the world in this regard show that their importance has not diminished. If any foreign investor or Indian company decides to invest in those areas, in which we are lagging behind and brings in new technologies, then that is understandable, but otherwise, it is a dangerous trend that our established industries in the Public Sector will be handed over in

[Sh. Bhogendra Jha]

this manner one by one to foreign capitalists.

MR. CHAIRMAN, Sir, in the name of its new policy the Government by its behaviour has created an impression within the country and abroad that we are not capable of running those industries but actually only very few people will become rich at the cost of general public. In this way, we are going to hand over some of our major industries to the private sector. Mr. Chairman, Sir, that is why has become our national duty to oppose such a move. We all are also aware that there is no qualitative difference in terms of success achieved by private sector enterprises. There is no difference at all if Private Sector and Public Sector are compared in this regard but the entire media and the policies of the Government to have been projecting a very negative image about the performance of public sector vis-a-vis private sector. In this manner, efforts are being made to dismantle the public sector.

MR. CHAIRMAN, Sir, as regards the two corporations I would urge Azad Sahib, who is the Hon. Minister of the department and who is present here at the moment, that the names of those two corporations must be changed. There is no need of having names like Air India or India Air Lines. One of them can be named "Akash Bharti" and the other can be named "Viman Bharti" (Interruption)

SHRI MOHAN SINGH (Deoria): And we can give them name 'Urankhatola' by joining the two (Interruptions).

SHRI BHOGENDR A JHA: I have said what I thought was important and what I

have been experiencing for the last several years. There is something in names as well. Mr. Chairman, Sir, efforts are now being made to convert the two corporations into limited companies. All rules and regulations would, however, remain the same. Since a New Economic Policy has been adopted, so the hon. Minister has opened up the gates for the private sector to enter those areas by converting these corporations into limited companies. The erstwhile aviation sector is also being opened for private aviation sector. This is being done at the behest of the Government.

Government directives and orders have become meaningless because of the very policy of the Government itself. The policy of our country rests on the capitalistic economic base. Indian plans bearing the name of 'Air India' have been projecting the good name of the entire country, but now they will be projecting it as a private limited company instead of being the part of a corporation. I do not know as to who is to be appeased by taking such a decision.

Now nobody can imagine that big corporation, like Air India or India Air Lines might be run by any capitalist house of the country, and even if it comes forward to run them, they will use the money of the country only. It will be the money of the people only. It is therefore, the duty of the people of the country as also the duty of this House to oppose this dangerous step of the Government being ushered in the shape of the present ordinance. This is why a series of dharnas and gheraos etc. are being arranged as a mark of protest throughout the country against the adverse impacts of the New Economic Policy. I accept that religious issues are raised to divert the attention of the people, nevertheless, there have been at-

attacks one after another on our Economic Policy and the people are prepared to launch a mass -movement. I would like to submit that the Government should not be under any illusion that people will tolerate the situation wherein fundamental rights of the people are snatched away. Such a policy cannot be pursued any longer. This cannot work even in the House and if it works here, people will not accept it outside the House. Mistakes have been comitted time and again. As a matter of fact, to err human. Nobody is free from errors. We have created God so that errors may be avoided. The discontentment that the Government is generating among the people will prove fatal. Therefore, the ordinance issued by the Government will be opposed indise this House and outside also in a big way. There will be big rallies here in the months of March and April. One I was myself victimised. For the first time I had the taste of reargassing on 19th of August. Since I am not in the habit of fleeing from the front so I had face that. The Government is launching an attack on our nationla policy. This was not an issue during the last election, not did it figure in their election manifesto that the public sector would be done away with. This is such an issue that was raised for 15-15 years after independence both inside the House and outside. After that our Government adopted a policy of Mixed-economy. The Government is not altering that 'mixed' word, but practically that policy is being done away with. The Government has neither democratic right not moral right to do it. One after another issue is being taken up while ruling party did not raise the issue during their electioneering.

[English]

MR. CHAIRMAN: You are repeating

the same thing again and again..

SHRI NIRMAL KANTI CHATTERJEE(Dmdum): There is no other why out because they are also repeating the same thing. (Interruptions)

[Translation]

SHRI BHOGENDRA JHA: Mr. Chairman, Sir, without taking much of your time, I would like to urge the House that it should reject this ordinance, so that the tradition of promulgating ordinance before the session, comes to an end. Our basic economic policies are other. This should be stopped so that we are not forced to engage ourselves in a large scale confrontations with the Government. These limited companies will not be able to save you and some Indian and foreign millionairs would not be able to save you. With this, I oppose this ordinance and thank you.

[English]

MR. CHAIRMAN: Motion moved:

"That this House disapproves of the Air Corporation (Transfer of Undertaking and Repeal) Ordinance 194(No. of 1994) promulgated by the President on January 29, 1994."

MR. CHAIRMAN: There is an amendment by Shri Mohan Singh. Are you moving it?

SHRI MOHAN SINGH (Deoria): Sir, I beg to move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 10th July, 1994."

SHRI E. AHMED (Manjeri): We all have given notice to move the amendment for desapproval!

MR. CHARIMAN: You will be given time.

SHRI E. AHAMED: No. Sir, What I mean to say is those who have given notice for its disapproval may be called first. That is the procedures. Of course, other members can also participate, I have no objection of my friends being called first.

SHRI SHRAVAN KUMAR PATERL (Jabalpur): Mr. Chairman Sir, I stand up to support the motion for consideration of the Air Corporation Transfer of Undertakings and Repeal Bill 1993 and thank you giving me this opportunity. (*Interruption*)

SHRI E. AHAMED: Sir, I am on a point of order. My point of order is, when there are members who have given notice of disapproval of the ordinance, whether any member who is either supporting or opposing, they may be called first who have given notice of disapproval motion. (*Interruption*).

[*Translation*]

SHRI MOHAN SINGH (Deoria): Mr. Chairman, Sir, when a person moves (an amendment), it is taken for granted that others too agree with this. Thereafter, amendments are taken. You have done the right thing. You called my name among those desiring amendment. After this the debate begins. You called the hon. Member correctly. You have adopted the right procedure.

[*English*]

SHRI E. AHAMED: Sir, I have absolutely no objection on calling any member to speak either opposing or supporting. My only point is there are members who have given notice of disapproval of the motion and they may be given preference.

SHRI SRIBALLAV PANIGRAHI (Deogarh) Mr. Chairman, Sir, there is a bit of confusion about it. I would like to draw your attention to page 3 of the Revised List of Business.

Kindly see the note which says, "Item Nos. 10 and 11 may be taken up together". So item Nos. 10 and 11 we are taking up now. Item no. 10 has already been moved. It does not mean that all those 15 or 17 Members listed there, all of them will have to speak.

[*Translation*]

MR. CHAIRMAN: That is over.

SHRI SRIBALLAV PANIGRAHI: So when there is a consideration Motion by the hon. Minister to take up this item No. 11 which has already moved, they can be taken together now and the debate can go on according to your directive members can participate.

SHRI ANNA JOSHI (Pune): My point of order is that the hon. Minister has moved the Motion and now debate will start, it is always customary that the debate should call a Member from the Opposition benches. Therefore, instead of calling him you should call a Member from the Opposition, then one from that side and so on. I request that a Member from this side may be allowed.

873 *Statu. Reso Re: Dis-* PHALGUNA 3, 1915 (SAKA) *Air Corp. (Transfer of 874 approval of Air Corp. (Transfer or Undertaking undertaking and Repeal) Bill and Repeal) Ordinance*

SHRI MOHAN SINGH (Deoria): Yes. That should be the procedure.

SHRI LOKANATH CHOUDHURY (Jagatsinghpur): There are two Motions, They have to be taken together. The Motion for disapproval was moved.

MR. CHAIRMAN : That is all over , you are forgetting

THE MINISTER OF CIVIL AVIATION AND TOURISM(SHRI GHULAM NABI AZAD): I have already moved it last time. One Member was on his legs also.

MR. CHAIRMAN: That was over.

SHRI LOKANATH CHOUDHURY: The Motion of the hon. Minister if for consideration. Discussion on that should be taken up.

SHRI NIRMAL KANTI CHATTERJEE: May I draw your attention to the list of Business. Item No.11 says, " Further Consideraion". That means it has already moved at the end of the last session. Therefore, the house takes it as already moved. The Statutory Resolution moved because there was no Ordinance. Now, that has also been moved. The regular procedure is that the should follow. As Shri Anna Joshi has also pointed out correctly, it should begin with the Opposition.

MR. CHAIRMAN: All right Prof. Prem Dhumal.

PROF. PREM DHUMAL (Hamirpur): Mr. Chairman, Sir, I rise to speak on Air Corporation (Transfer of Undertaking and Repeal) Bill, 1994. For the first time perhaps

it is happening that a Bill has been introduced. The hon. Minister had introduced it and according to him a member was speaking and the session ended. In the intervening period before the second session, it happened for the first time that we issued an ordinance. It never happened in the history of parliament that a Bill which was introduced in this august House was profusely referred to by the President yesterday in his Address, and also referred to the Parliament 's Standing Committee. This committee prepared and gave its report on 20th October 1993.

I would like to know from the Minister, what was, after all, so special regarding 29th January 1994, that he could not wait till 22nd February and promulgated an ordinance ? As a matter of principle I oppose the promulgation of ordinance in this manner.

I am supporting the Bill. But, the haste which created a parliamentary history, vitiated the entire procedure with the promulgation of ordinance.

Some friends spoke that history repeats itself , I have got the Air Corporation Act 1953 When Air India and Indian Airlines were formed. Prior to this, till 1953, various limited companies were providing air services - Air India Limited, The Air Services of India Limited, The Airways (India) Limited The Bharat Airways limited. The Deccan Airways Limited, The Himalyan Aviation Ltd. The Indian National Airways Limited, The Kalinga Airlines and The Air India International Limited, etc. By doing away with all these India Airlines , Air India were formed in 1953.

It has been stated in the objectives of this Bill that more funds are needed due to the policy of liberalisation under the new

[Prof. Prem Dhumal]

economic policy to the competition with other companies at international level. Both these things cannot be undertaken with Budgetary support alone. That is why, the private sector has also been allowed to invest. With a view to increasing the efficiency and development of National Air Services Companies i.e. Indian Airlines and Air India in such a tough competitive atmosphere, it has been realised that only budgetary support will not be enough and there is a need to utilize the equity funds from the open market. To achieve these objectives, a demand has been made to repeal the Air Corporation Act, 1953.

Sir, the Standing Committee of the Parliament, which has reviewed this Bill, has felt that there is a possibility that the job reservation at present, available to the scheduled caste and scheduled tribes in Indian Airlines and Air India, will not be given to them once these companies go to private hands. Even if these Airlines companies are privatising partially, there will be problems in implementing the reservation policy for the scheduled caste, scheduled tribes and other backward classes, because according to the present laws, this policy is not being implemented in the private sector. So the Committee recommended that the Government should take initiative to form a new policy and enact a new law so that reservation policy can be implemented despite total or partial privatisation.

Sir, I support this Bill and hope that the provision of reservation presently followed in Air-India and Indian Airlines, will be continued after their full of partial privatisation. A law may be enacted in that regard. In view of the international competition we are

facing today, I support the conversion of the corporation into limited companies. *(Interruption)*

SHRI MOHAMMED ALI ASHRAF FATMI (Darbhanga): Mr. Chairman, Sir, I rise to oppose this Bill. This Bill was brought on the 4th of May, 1992, but due to some reasons, it could not be introduced then. Maybe, it was not found appropriate to move this Bill. But it appears that due to the pressure exerted by the capitalists and Indian and foreign companies this Bill has again been moved in the House..

MR. CHAIRMAN, Sir, several Indian and foreign companies are performing well in this field. In comparison to them, Indian Airlines and Air-India have not shown adequate performance, despite having good infrastructure, such as offices and other facing facilities in India as well as abroad. Indian Air Lines and Air India have only 40 to 42 and 20 to 22 aircrafts respectively whereas a single foreign Air lines company has 250 to 300 aircrafts. It was never thought to run their corporations on profits, so, they were always in loss... *(Interruptions)*

SHRI GHULAM NABI AZAD: No, this is not true. Air India has always shown profit.

SHRI MOHAMMED ALI ASHRAF FATMI: Maybe the Indian Air Lines was running in loss.

So far as facilities are concerned, Air India and Indian Air Lines could never compete with any foreign company in this regard. Those who usually travel in Aeroplanes are well aware of it.

SHRI ANNA JOSHI: Air India has best

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pilots in the worlds. SHRI MOHAMMED ALI ASHRAF FATMI: I am taking about facilities. (Interruptions)

[English]

MR. CHAIRMAN Sir, one reason behind this may be that the number of ground duty employees in more than the employees working in flights.

As a result adequate facilities were not provided inside the aircraft and our Airlines could not earn the name they should have earned in the world. The private Air-taxi operators are giving good performance and they have flights from Delhi to Bombay, Madras and Calcutta. While converting them into limited companies, it should be kept in mind that the passengers should be given proper facilities of international standards both on the ground and inside the aircrafts I had an opportunity to talk to the employees of Indian Air Lines and Air India. Their demand was that they do not get benefits of international standard after retirement. Both the Air Lines lack efficient staff because such staff join other airlines. As these are being converted into limited companies, the employees working in it should be given facilities of international standard, only then, our Airlines can compete with other Airlines of the world. It will make no difference if both the Air Lines are merged or kept seperate the entire situation should be evaluated and efforts should be made for improvement. After these copmanies stet companies are formed and the private investors will have their shares in it, that would effect the reservation policy meant for SC/ST. What ever the hon. Minister may say today, reservation facilities will not be provided according to law with these words, I conclude and oppose this Bill.

SHRI SHRAVAN KUMAR PATEL: Mr. Chairman, Sir, as I said earlier, I stand in support of this Bill. This is a step in the right direction, through coming up rather late, by more than a year and a half. As has been mentioned by my colleague, it was introduced in May, 1992....(Interruption)

SHRI E. AHAMED: Sir, the time for our Iftar is six o'clock. If we have to participate in the discussion, how can we be there?

SHRI NIRMAL KANTI CHATTERJEE: The House should adjourn now.

THE MINISTER OF STATE IN THE MINISTRY OF HUMAN RESOURCE DEVELOPMENT (DEPARTMENT OF YOUTH AFFAIRS AND SPORTS) AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRI MUKUL WASNIK): Let him speak just for a few minutes.

SHRI SHRAVAN KUMAR PATEL: The Air Corporations, especially the Indian Airlines have gone too deep into the red, suffering losses year after years.

18.00 hrs

Sir, the lose of Indian Airlines is to the tune of Rs. 250 crore. I would like to add that till 1989 Indian Airlines was running in profits.

SHRI E. AHAMED: It is time for our prayer.

[English]

SHRI NIRMAL KANTI CHATTERJEE:
Sir, it is our normal practice. We can continue this tomorrow. He will get first chance. We have fixed our programmes outside.

[Translation]

MR. CHAIRMAN: if all agree the time of the House could be extended till Shri Patel concludes.

[English]

SHRI SHRAVAN KUMAR PATEL: Sir, if I may be excused. I will speak for 10-15 minutes. I could continue tomorrow if you want.

MR. CHAIRMAN: You please speak.

SHRI SHRAVAN KUMAR PATEL: Sir, as I was saying, Indian Airlines was running at profit till 1989. It was only with the decision of the Government to ground the Airbus-320 that it incurred a heavy loss to the tune Rs. 292 crore and as many as 18 aircraft were grounded for several months.

With the liberalisation of the economy and the induction of private operation in the air transport sector and with the adoption of open-sky policy, it is necessary to tap the capital market for equity funds to argue the resources of the two main national airlines namely Indian Airlines and Air India.

During the past three years or so, we can hardly think of a span of period when one section of the airline staff or the other

was not on strike or carrying on agitation. The pilots, the engineers and different categories of technical staff - unmindful of the loss - continues to go on strike indiscriminately. I very clearly remember the offer made by Civil Aviation Minister in 1992 when he gave an analytical picture comparing of the hours of flight per weekly Indian Airlines pilots and pilots of other international airlines and calling upon the striking pilots to put in more hours of flight and get more. Yet latter refused to see the reason and the result was 30 per cent of under-utilisation of our air fleet. I am sure, this sort of obstinate and unreasonable attitude on the part of the pilots, engineers and other technical staff would not be tolerated by a company run and managed on commercial lines contemplated under this Bill.

Though the composition, functioning, modus operandi, the policy and objective of the companies contemplated under this Bill have not been spelt out - they may form of Memorandum and Articles of the Association of the mega-carrier companies - since they come to replace the two air corporations, certainly they are expected to pursue and follow the same objectives and basic principles as laid down for the corporations sought to be replaced. The public undertakings, whether a statutory corporation or a limited company, are bound by certain social obligations such as providing services to remote areas which may not be wholly viable from economic viewpoint. All such services, particularly in the North East sector, may involve - even to a large extent subsidisation.

MR. CHAIRMAN: Shri Patel, you may continue tomorrow.

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18.031/2 hrs

BUSINESS ADVISORY COMMITTEE

Thirty-seventh Report

[English]

THE MINISTER OF STATE IN THE
MINISTRY OF HUMAN RESOURCES DE-
VELOPMENT OF YOUTH AFFAIRS AND

SPORTS) AND MINISTER OF STATE IN
THE MINISTRY OF PARLIAMENTARY AF-
FAIRS (SHRI MUKUL WASNIK) : Sir, I beg
to present the Thirty-seventh report of the
Business Advisory Committee.

18.04 hrs.

*The lok Sabha then adjourned till Eleven of
the Clock on Wednesday, February 23,
1994/Phalguna 4, 1915 (Saka)*