

MR. SPEAKER: I take it that the House has agreed.

[Translation]

SHRI MOHAN SINGH (Deoria): We have already called for a party meeting at one O'clock.

SHRI RUPCHAND PAL (Hooghly): We have also summoned a party meeting at 1 O'clock.

[English]

MR. SPEAKER: In that case, you will not have enough time to discuss the President's Address. You are just concentrating on one item. We are taking into account all the items that are before us. You can go, attend the meeting and come back, if you like. Let the Members, who are here, speak.

Shri Shravan Kumar Patel.

SHRI GEORGE FERNANDES: He was on his legs. He did not have the clue.

[Translation]

They have left the House, presuming that lunch hour will be observed... (Interruptions) I request you that we should dispense with the lunch hour tomorrow.

[English]

SHRI RAM NAIK (Bombay North): Sir, as far as the procedural aspect is concerned, you may decide whatever you want.

MR. SPEAKER: I am deciding it with your consent.

SHRI RAM NAIK: From the procedural point of view the last speaker, who was on his legs, should have been present here because it can come at any time. So, that should not be an excuse for his absence.

MR. SPEAKER: The House stands adjourned for Lunch to meet at 14.00 hours.

12.55 hrs.

The Lok Sabha then adjourned for Lunch till Fourteen of the Clock.

14.08 hrs.

The Lok Sabha re-assembled at eight minutes past Fourteen of the Clock.

[MR. DEPUTY SPEAKER in the Chair]

STATUTORY RESOLUTION RE:DIS-
APPROVAL OF AIR CORPORATIONS
(TRANSFER OF UNDERTAKINGS AND
REPEAL) ORDINANCE — *CONTD.*

AND

AIR CORPORATION (TRANSFER OF
UNDERTAKINGS AND REPEAL) BILL —
CONTD.

[English]

MR. DEPUTY SPEAKER: Now, we take up further discussion on item nos. 11 and 12 together. Shri Shravan Kumar Patel was on his legs last time. The time allotted is two hours. Already time consumed is 48 minutes.

SHRI SHRAVAN KUMAR PATEL (Jabalpur): I will be as brief as possible. Mr. Deputy Speaker, Sir, yesterday, I was on the point of social obligation. The new companies will have to provide efficient service on the one hand and on the other hand, they have to fulfil the social obligation also; and this may require rationalization of air fleet and manpower optimizing the use of its capacity and using fuel efficient aircrafts.

I also believe that the Government would in time constitute a suitable body to supervise and coordinate the working of these mega air carriers along with air taxis services to ensure an equitable distribution of routes and fair return for the infrastructural facilities including creation and maintenance of airports, traffic control system, etc. for safe air transport. The Minister might like to spell out the Government's projections in this regard.

The other important aspect is about the Vayudoot Service. As we understand, Vayudoot has been merged with the Indian Airlines Limited. While it was plagued with highly uneconomic aircraft and routes, we cannot afford to stop Vayudoot. Necessary provisions should be made to ensure that unlucrative routes hitherto operated by Vayudoot are well served with suitable fuel efficient aircraft and new routes, where necessary, should also be included in the national air map for the purpose of national integration.

Mr. Deputy Speaker, Sir, with added resources as contemplated under the Bill the Airlines should induct increasingly more and more fuel efficient modern aircraft and dispose of the old and outdated aircraft before they cause life hazard owing to metal fatigue or engine trouble.

My suggestion to the hon. Minister is that the private airlines should not be allowed to induct old and outdated aircraft on lease from foreign airlines. The planes should be subjected to sound technical scrutiny and norms for safe flights should be fixed. They should have a certified air-worthy life of minimum five years.

It requires a fortune to be invested and prolonged rigorous training to pilots and air engineers. We cannot afford to allow them holding the national to ransom, as particularly this is the case with the pilots. On small petty pretexts they hold the entire nation to ransom and ultimately the nation loses. Usually it is found that these pilots are enticed by private airline companies also to the detriment of the national airlines.

So my suggestion to the hon. Minister is that there should be a system of minimum bond to serve the national airlines and only then they should be permitted to leave the service and join other airlines.

The nation has invested big chunks of wealth in creating, maintaining and developing the aerodromes and other traffic control infrastructure. Yet we see that both the National Airports Authority and the International Airports Authority running into losses and some times getting meagre profits. The tariff structure in respect of the use of this infrastructure both by private and public air should be kept under constant review to ensure fair returns while the airlines could manage to earn profits.

Another malady that the national airlines are suffering from is the excess labour force particularly in the middle level. To achieve efficiency and economy

excess hands shall have to be eliminated, of course by utilising their services elsewhere. I do not mean retrenchment. But we should also see that growth is achieved.

Sir, I wish to make one very important point which the Government has to seriously look into and that is the question of aviation turbine fuel which is commonly known as ATF. It is two and a half times costlier than its international price. This one factor is breaking the back of our national airlines amounting to whooping sum of Rs. 400 crores.

One more factor which is playing havoc with the national airlines is the 15 per cent air travel tax. My suggestion is that if the Government has to impose this tax then the money should go back to the Civil Aviation Ministry and that money should be ploughed back for the development of infrastructural facilities. Only then we will be in a position to ensure the survival of our national airlines. I personally feel that at this juncture it is very very important that we ensure the survival of airlines particularly Indian Airlines which is not in a healthy economic condition.

With the open sky policy and liberalisation, the dye is cast and we all have to ensure that appropriate decisions are taken so that in the course of time growth is ensured. The picture so far as Indian Airlines is concerned is not very bright. Indian Airlines is not showing growth but if right decisions are taken then I am absolutely certain that it will turn the corner and it will show growth and profit both.

In the end I wish to speak a few words about my constituency, Jabalpur also. Jabalpur was tipped to be the capital

of Madhya Pradesh. Unfortunately that did not happen. Once upon a time it was the largest city of Madhya Pradesh. Now it is the second largest city of Madhya Pradesh and yet not a single airlines is operating in Jabalpur. I have been after this, ever since I became a Member of Parliament. I have written several letters to the Government and I am happy to tell you that the Madhya Pradesh Government gave 33 acres of land free of charge to the Civil Aviation Ministry, the National Airports Authority. There was a commitment that the work would start. I am very happy to state that the hon. Minister for Civil Aviation is seized of the situation. He has assured me that the work would start and the hon. Prime Minister has also assured that by the end of 1955 the airport would be operational. I am absolutely certain that with a little interest the Minister of Civil Aviation would ensure that the Jabalpur Airport becomes functional by the end of 1955.

In the end, so far as the adoption of this Bill is concerned, even the Standing Committee on Civil Aviation has endorsed this Bill *in toto*. I see no reason why this Bill cannot be adopted. I request the House to adopt this Bill.

SHRI RUPCHAND PAL (Hooghly):
Mr. Deputy-Speaker, the report given by the Standing Committee was not unanimous. From our party, two members had given their note of dissent.

This Government is out to destroy whatever valuable assets this country has built up through the sweat of the working class of this country. A discussion was already started on this particular Bill, but the Government could not wait even for 23 days and on the 29th of January the Government came out with an Ordinance.

[Shri Rupchand Pal]

Ordinance as such is undemocratic and let me in this connection quote the first Speaker of First Lok Sabha, Shri Mavalankar, he said:

"The procedure of promulgation of Ordinances is inherently undemocratic."

Then it was replied to by Pandit Nehru the then Prime Minister who said that sometimes occasions may arise when the Government may be urgently in need of such ordinances. In reply to that also Speaker Mavalankar had commented that—

"The issue of Ordinances is undemocratic and cannot be justified except in cases of extreme urgency or emergency."

What was the urgency in this connection, except that the predatory instinct of some sharks had to be satisfied as early as possible? They could not wait any more. When Parliament was going to sit within a few days the Government came out with an Ordinance.

It has been tried to project as if it is an innocent change, as if it is a simple change. The Corporations will simply be converted into two limited companies. But in fact their basic difference is that whereas the share capital of the two airlines at present headed by the Government of India is not transferable, after the registration as companies under the Companies Act, the share capital of the Government of India would be capable of being easily transferred and the foreign multinational companies are

ready in the wings with their frontal agencies to just capture the Indian Airlines and Air India.

We were listening to the speeches of some of our esteemed colleagues. Is the Indian Airlines so bad as has been said by some? I would ask could the Indian Airlines achieve what it had achieved during all these years had it not been nationalised in 1953?

What was the picture in the pre-nationalisation days? The private airlines could not operate efficiently. They were in total chaos in spite of the subsidies and concessions given to them. Can privatisation be a solution? For 37 long years, Indian Airlines had accumulated profit. Indian Airlines does not need budgetary support of the Government. These airlines do not need to go to the capital market. Only since 1989 it had been suffering loss and that too because of mismanagement and wrong decisions taken by this Government. In 1987-88, even before tax, the profit of Indian Airlines was more than Rs. 75 crore. In 1988-89 the profit was more than Rs. 34 crore. Then, in the meantime, the operating cost had gone up because of hike in the price of fuel. Then, the aircraft A-320 was grounded. The original cost was Rs. 958.70 crore and the revised cost was Rs. 2,170 crore. The additional amount of Rs. 1,230.08 crore had to be paid as a result of the devaluation process.

Sir, the Air traffic throughout the world is dwindling. It is coming down. In India also, it is coming down. In 1987-88, the total number of air passengers was 10.4 millions. In 1991-92, it was 8.9 millions. There were several reasons for that—recession in industries and many other factors.

Sir, the private airlines without the concurrence of this august House had been allowed to operate. As a result of which, the private airlines had weaned away 19 per cent of the daily passenger traffic causing at least one crore rupees daily loss to Indian Airlines. Sir, I shall come to the point as to how these private airlines are operating later.

Eighty percent routes of the Indian Airlines are not profitable. They are bearing the social obligations as was stipulated in 1953. And all these years, the Indian Airlines and the Air India have been keeping up with the requirement of international air transport. We shall have to be proud amongst the developing countries, that we have such Airlines as Indian Airlines and Air India. They are saying that Air India was not doing well. Some top manager came from outside and it started making profits. What does it suggest? It was due to mismanagement; maladministration Air India suffered. The workers were not taken into confidence; and the Government has been irrationally interfering with them. These were the reasons for the decay that had taken place. The Government is responsible for the loss that had been suffered by them? ...*(Interruptions)*

SHRI JASWANT SINGH
(Chittorgarh): Also please take the pilots into confidence.

SHRI RUPCHAND PAL: Yes, I shall come to that later.

We have been spending lakhs of rupees for training our pilots in France. Deliberately the management have not taken any bond from them. The private airlines had been allowed to poach into the areas of Indian Airlines and Air India. Deliberately this has been done.

What was the reason for the loss? Indian Airlines operates in many non viable routes, particularly North-East. Indian Airlines have been just operating in 57 stations in the domestic; five foreign stations and 28 civil enclaves used by Indian Air Force.

It has got a good training system. During all these years, they had produced a large number of skilled employees and engineers about whom we should be proud of. I do not know what is the number of people dependent on the airlines, who may be in several lakhs. According to an estimate made by the Indian Institute of Management at Ahmedabad in 1951, more than seven lakhs of people have been directly or indirectly dependent on Indian Airlines—the Air Industry as such. Now, the number must have doubled. So, whatever loss the Indian Airlines has suffered it was due to the wrong decision of the Government. Who will be benefited if this Bill is passed? the public? No; the air passengers? No; the workers? No; the country? No. We shall go back to the pre nationalisation days. It will only be repeat performance of the private sector, as it was in the pre-1953 days. Is the privatisation a solution? During all these years, more than 3 lakhs of industries—large, small and medium—in the private sector have become sick. The private sector is causing a havoc to our industry. They are ruining the economy. How can the private sector salvage the Indian Airlines who have been doing well all along? Actually, the process of Privatisation started in 1984 when the Dr. Arjun Sengupta Committee was set up. The Committee made some recommendations in favour of dismantling the Public Sector. They could not be implemented at that time. Later on, the Tata Committee was set up in 1986 which

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suggested Privatisation of Indian Airlines and Air India. Will the private sector be able to mobilise the necessary resources? Have they got the money? Have they got the infrastructure? Have they got the training facilities? What are they doing now. They are bringing in the aircrafts which are rejected by the Western countries. The engines—which are rejected by other countries—which make a lot of sound, cause pollution and other problems, which have got no airworthiness are being used by Private Airlines. They are drawing the passengers by offering drinks on board of the flight. Some are showing the magic performance, it is called competition. I am afraid as a result of the denationalisation the whole of air industry in india will become sick. The air traffic is going down in our country as it is the case the world over. There is no capacity utilisation. The Indian Airlines can provide 32000 seats daily. By this time, the East-West, Damani and many such Private Airlines have taken away important trunk routes from Indian Airlines. If the situation continues and if this recession the world over continues and if in India such capacity is increased it will lead to sickness in the Air Industry. The same happened in the United States after denationalisation; since the national carriers of the United States had been Privatised about two hundred airlines had become sick. In India also all these airlines will become sick. The Private Airlines will to the Government for getting concession and also for getting subsidy. But the Indian Airlines did not depend on any budgetary support. They had all along been making profits, till 1989 contributing to the national economy and earning foreign exchange. They have been continuously contributing immensely to the national

economy. They had been contributing towards defence also. As a second line of defence as has been seen during the Gulf war and also IPKF operations, Indian Airlines contributed immensely. The Private Airlines will not continue to bear the social obligations as had been done by Indian Airlines and Air India. Although Indian Airlines and Air India have been doing quite well, I do not say that there was no deficiency at all.

But the deficiencies had been mostly because of mismanagement, because of wrong decisions of the Government, because of maladministration and because of lack of confidence in the working people, in the employees, engineers and pilots. The Indian Airlines has been incurring losses since 1989 only. It was because Indian Airlines had been subsidising immensely. They have been subsidising the North-East passengers, they have been subsidising the Defence personnel, they have been subsidising the handicapped persons. What will happen to that? Will these private airlines continue to do that? The private airlines do not have enough resources. The TATA Committee had estimated that about Rs. 20,000 crores are immediately required to modernise Air Industry in India. Where will this money come from? As soon as you transfer your shares, the multinationals, the mega airlines will come forward. In fact, this process has already started. We find that the frontal agencies have already started operating on benefit of mega global Airlines. In the mean time, Private Airlines have weaned away more than 100 of our pilots, 50 aircraft maintenance engineers and, as a result, one-third of the flights of Indian Airlines have been affected, and twenty per cent of the total traffic has been affected. The market size is stationary. The air traffic is going down

and, as a result of that, I am afraid, the whole industry will become sick. There are no infrastructural facilities available to the Private Airlines. I am told that the Hindustan Aeronautics Ltd., a public sector unit, will be offering services to the Private Airlines for repair, maintenance, overhauling and other facilities. I am told that some people from the Indian Airlines and Air India will ultimately go to join the Private Airlines. This process has already started. I can give you a list of such people.

Then, Sir, what will happen to the training facilities? Will the Private Airlines' people also be allowed to be trained with the training infrastructure belonging to Indian Airlines and Air India? What will happen to air safety? I know from my personal experience that there is overloading going on in some Private Airlines. More number of passengers than the capacity are being carried by some Private Airlines. Not only drinks are being served by some on board not only magic shows are being performed but also there is an undercutting sometimes to the tune of Rs. 500 in the single fare. I am afraid air safety will be the first casualty as a result of reckless competition.

Then, what will happen to the workers and the employees belonging to Scheduled Castes and Scheduled Tribes? What will happen to the industrial disputes? So far these were in the Central jurisdiction, now they will go to the State's jurisdiction. As a result there will be more confusion, more chaos. Industrial relations will, therefore, be put under severe strain.

Air taxis have been allowed to operate without the concurrence of the Parliament, they have been freely publishing their time schedules and still

the Government had been saying that they were allowing that. They have been openly announcing about their punctuality and other things, comparing themselves with the Indian Airlines and others. We do find that these Private Airlines are out to infringe into the nationalised sector. At the initial stage the Government contributed Rs. 50 crore only as loan and Rs. 50 crore only as the paid up capital for the Indian Airlines and the Airlines to now have assets to the tune of Rs. 5,000 crore. Who built it up? Without nationalisation, could the private sector build up such huge assets? Now, these huge assets are being handed over as if on a platter to the multinational companies waiting on the wings and have already set up their frontal agencies and which cannot wait.

The Private Airlines could brook no delay. The Government has been pressurised by their mentors—the I.M.F. and the World Bank and others—to be in haste and promulgate the ordinance as they could brook no delay.

Sir, broad-basing the capital structure is not the solution of the present problems being faced by Indian Airlines and Air India. The problems are essentially different. If we go through the reports of several committees, so many enquiry reports about the functioning of the Air India and Indian Airlines we find the problem is of management, maladministrations may be. The I.T.C. will come with the same Mr. Y.C. Deveshwar who has left Air India to reap profit as a Private Airline.

We are told through the press that Private Airlines are getting ready and this Government could not just sustain the pressure and they surrendered and on 29th of January this Government came

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out with an ordinance because the private multinational companies, the private monopoly organisation like ITC and other could brook no delay. What is required is not broad-basing of capital. What is required is broad-basing of the administration through the workers' participation in the management. This is not being done.

I am afraid that these two airlines will go back to the pre-nationalisation days. The commitment of these two airlines, as had been announced by the then Minister late Shri Jagjivan Ram—with regard to safety, efficiency, adequate provision of seats and also at a cheaper rate—has been fulfilled all along.

Sir, Agartala is the capital of Tripura. It is the capital of a State. Even when the Capital Ministers are going there from New Delhi. What is their experience? There is no direct flight. If the State capital is deprived of air connection with the national capital who will cater to them? Who will provide the flight? Will these Private Airlines provide it? Will they bear that social obligation? They will not do so. What will happen then? A large number of State capitals—leave aside smaller places which are of lesser importance than the capitals—will be out of the air map of India as a result of this.

I oppose this Bill and warn this Government that if this Government does not desist from taking such drastic action against the national interest of the country, the working people of this country, the democratic, patriotic masses of this country will not tolerate them. They will oppose tooth and nail to their decision.

MR. DEPUTY SPEAKER: Shri Anna Joshi to speak now. Each speaker will get ten minutes. Of course, Shri Rupchand Pal was able to take more than 17 minutes.

SHRI CHITTA BASU (Barasat): Sir, it represents the very policy change of the Government. More time should be given for this.

MR. DEPUTY SPEAKER: As already stated by the hon. Speaker, we shall have to take up Motion of Thanks to the President's Address at 4 O'clock. Before that we shall have to complete this.

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): Hon. Speaker has said one thing. The House has to decide. It is the first step for liquidating and privatising the Government as Shri George Fernandes is suggesting. Therefore, the House will take its time to conclude the debate.

MR. DEPUTY SPEAKER: Let us see. Shri Anna Joshi to speak now.

[Translation]

SHRI ANNA JOSHI (Pune): Mr. Deputy Speaker, Sir I rise to oppose the Ordinance promulgated by the Government and to support the Bill. Probably, it is the first instance in the History of this House that the Government has promulgated an Ordinance regarding the Bill pending before the House. My other colleagues as well as Dhumalji told that this Ordinance was issued on 29th January. I have just now told you that why it was promulgated. But what is the logic behind it? The session of the Parliament was due after 22 days and this Bill was

already included in the agenda. It could have been discussed then, so there was no need to promulgate an Ordinance in this regard. The hon. Minister is responsible to create a strange situation between the Government and the people and thus has created a new History. We want to know as to why did he do this?

In respect of the economic condition of Indian Airlines and Air India. The Bill states that for their expansion and their smooth functioning more funds are needed but the Government is unable to provide funds. Therefore, it wants to privatise these. I want to know the attitude of the Government in respect of these companies? This is a sort of criminal negligence that you could not provide a good service to the people through a company which has monopoly in this business. This fact is on record that the Government neither provide funds nor it has been able to recover a sum of Rs. 7 crores from three Ex Prime Ministers, late Shri Rajiv Gandhi, Shri Chandra Shekhar and Shri V.P. Singh which they owe to Indian Airlines.

SHRI MOHAN SINGH (Deoria): Hon. Member does not have proper information, this arrears is due to Air Force and not the Indian Airlines as Prime Ministers travel by Air Force planes.

SHRI ANNA JOSHI: If it is like that. I correct myself. But the arrears should be recovered. The Minister should also think over the remarks given in respect of Air India, Indian Airlines, Vayudoot and Pawan Hans in J.P.C.

A Bill regarding Companies has been brought forward yet it would have been better if we discuss the ways and means to improve the life of the people. Increased competitiveness is a good thing

and that's why I welcome this Bill. However, Companies cannot skip away from their responsibility and I would like to draw the attention of the hon. Minister towards this particular clause. 1500 employees of Vayudoot went on hunger strike. At the instance of the Hon. Prime Minister, a motion for the amalgamation of Vayudoot with Indian Airlines was moved six months back but it is yet to be translated into reality. Vayudoot was set up in 1981 and till date the company has incurred losses of Rs. 200 crore. Future of the employees of Vayudoot is quite bleak. I would like to know the decision taken regarding the future of Vayudoot and the employees of Vayudoot?

I believe the amendment notice given by Shri Bhogendra Jha regarding the nomenclature of Indian Airlines and Air India will definitely give impetus to domestic environment. In the amendment notice it is proposed that Indian Airlines Ltd. should be renamed as Viman Bharti Ltd. and Air India as Akash Bharti Ltd. It will definitely be good as far as Indian identity is concerned. I support these amendments and urge you to accept these.

With these words I support this Bill.

[English]

SHRI SYED SHAHABUDDIN (Kishanganj): Mr. Deputy Speaker, Sir, The Bill is not as innocuous as it looks. It is part of the unfinished Agenda of the Government for what they have described, the economic liberalisation but which essentially means that the wish to create a market economy in this country, to dilute even destroy, the public and to create a capitalist economy in a Republic which prides itself on calling itself socialist. Therefore, one has to go through this

[Shri Syed Shahabuddin]

Bill very carefully. But, on the other hand, I am conscious of the fact that the New Industrial Policy Statement was presented to this House in July, 1991. After that perhaps such Bills have become inevitable. They have to come here one by one and fulfil all conditionalities to which they have committed themselves and which they have to bring in, in the form of legislation, one after the other. But I would essentially like to make the first point—why this ordinance? That point has already been touched. I notice here the hon. Minister, in his statement, has only one simple word to say. In para 3 of his statement, he justifies the promulgation of an ordinance while the Bill was under discussion in the House. It is stated "In view of the urgency". What is the urgency? He does not take us in to confidence. I wish that the hon. Minister would take the House into confidence and tell us what was the tremendous urgency that when the Bill was slated to be discussed in the coming session, three weeks later he should have promulgated the ordinance. This is, in my view, really a deliberate disrespect to both the houses of Parliament specially of this house and I think that this Government is slowly trying to dilute the prestige of the house, trying to play with the dignity of the house.

Therefore, the hon. Minister, whatever may be the merits of this Bill, owes an explanation to this house as to what was the urgency which prompted him to have an ordinance promulgated when the Bill was already on the Table of the House.

I do not speak in an ideological mode. In fact, I can not eulogise the services rendered by Air India or Air lines

with a good conscience. I do not wish to commend them or condemn them. But at the same time, I would take you in to confidence by recalling you a private observation once made to the Managing Director of Indian Airlines. I said I have been committed to socialism since my youth. But today when I see your performance, I feel ashamed of calling myself a socialist. Therefore, it is not so much that we are not.

We are not. I can assure you that. None of us. Their unpunctuality, their disrespect to the passengers, their poor passenger service, their delays, delays and delays. And I really do not wish to dilate on that. But I only want to say that I feel that monopoly breeds vices. Therefore, I feel that perhaps, some sort of restructuring of the air transport keeping in view the coming expansion in air transport which is inevitable, would be desirable. One should have a fresh look at it. But here, I have a point. The Minister has again committed a contempt of the House, if I may say so. He did not wait for the views of this House or the fate of this Bill which had been introduced in 1992. In between a very spurious interpretation of the laws, rules and regulations was made in order to bring in private airlines through the back door in the name of air taxis. That was an act of deception. They were not air taxis. They were full-fledged air lines operating on scheduled sector according to scheduled timings. They were printing their itineraries. And still they were called air taxis. I do not know under what rule they were brought in. I asked a question. I could not really follow the reply some sort of a regulation of the Directorate of Civil Aviation, some particular clause was re-interpreted. I do not know in whose interest, under what pressure, with what motivation and with what gain? I do not know. perhaps, the easiest

thing would have been to say and there is a point to say that monopoly should not continue that there should be restructuring. Yes, do it by legal do it by showing due respect to Parliament. That was not done. That is my second charge against the hon. Minister on this score.

As I said monopoly breeds its vices. And I hope, once you take away the monopoly, competition would be generated, services would be more efficient, passengers would be served better, service would become punctual and service would become cheaper. All these things, I hope the Minister would re-assure us on this point. But I must caution you on one thing. Is this the prelude to the privatisation of these airlines?

SHRI CHITTA BASU: What else can it be?

SHRI SYED SHAHABUDDIN: Is it a prelude to disinvestment? Is it a prelude to the introduction of foreign capital in running our national airlines? I would like a very clear and categorical assurance from the hon. Minister that the Government will in any case maintain a majority in the equity of these two companies. That I must insist and no foreign investment shall be permitted in these airlines. There may be other private air lines. But the Government must keep an airlines of its own because as my friend Shri Pal said, a national airlines serves as the second line of defence in times of war. We have used Indian Airlines planes in times of emergency, civil emergencies. We have used the Indian Airlines and the Government must remain in full control and possession in order to divert airlines from civil service to emergency service if the situation so arises for that. I need an assurance from the hon. Minister on (a) that the Government shall maintain a

majority and (b) there shall be no foreign capital in running these airlines.

I also want two more assurances. One assurance has already been asked for that transformation into a company or even privatisation will not mean any cut back in the reservation for the Scheduled Castes and the Scheduled Tribes. In fact, I would plead with the Government through the hon. Minister and through you that time has come for this country to consider introduction of reservation in the private sector as a whole. Therefore, I want a categorical assurance that there shall be no erosion of the quantum of reservation in the airlines as it exists today.

On the next point, I am not very certain in my mind and that point was made by Shri Pal. There is some lack of confidence in this country about the quantum of maintenance and services available. I would like a categorical assurance from the hon. Minister that in this mushrooming of the airlines, the air worthiness shall always be kept in view, that no life shall be endangered and that the country has and will have adequate facilities for maintenance and services for all the airlines that are operating and that they must be made to operate according to the internationally accepted standards.

[*Translation*]

SHRI RAM VILAS PASWAN
(Roser): Mosquitoes will not bite.

SHRI SYED SHAHABUDDIN: Yes. The other day, we were travelling together with you, Sir, and we thought that there were lot of freeloaders in the Indian Airlines; there were so many mosquitoes floating around.

[Shri Syed Shahabuddin]

I would like to make two more brief points. I would like to draw the hon. Minister's attention to clause 8 of the Bill. I do not understand why the officers must be treated in such a kid-glove manner. If you read at the end, it says "An Officer is free to resign"; yes, by all means. They have resigned and many more will resign. So what? The last sentence says "or until the expiry of a period of six months from the appointed day". Why was this extra benefit given to him? Clause 8 (2) says:

"Where an officer or other employee of a corporation opts under sub-section (1) not to be in the employment of service of the company in which the undertaking of that corporation has vested, such officer or other employee shall be deemed to have resigned."

Why must he get this benefit? Is it normal? I am not aware of any such rule in the case of Government servants. And why should such a facility be allowed to employees or to the officers of the public sector?

My last point is this. I represent a constituency in North Bihar. This Government has chosen to keep North Bihar with all its 50 million people totally out of the air map of India. I do not know why this is happening.

Between Gorakhpur in U.P. and Badodra in West Bengal, the entire North India lying between the river Ganges and Nepal is totally without air service. I would like to draw the attention of the hon. Minister to this sad state of affairs.

I can name other places also. But, at least, there should be one or two points in this long expansion of about 300 miles wide containing about 50 million people, that there ought to be some semblance of air service.

My last point is that I am not in favour of any subsidy to the airlines, whether it is private sector or public sector or joint sector. In any case, air service is still a facility for the elite. Of course, it is another matter that many of us, in this Parliament, also consider ourselves to be part of the elite; at least, we are part of the establishment. But, basically, anybody who opts for air service should be able to pay for it. And, therefore, I would like another assurance from the hon. Minister that there is no intention on the part of the Government to provide subsidy for any air service and that if he is breaking the monopoly in order to bring in competition and more efficiency and perhaps, in that case he can do without this subsidy.

If these assurances are forthcoming from the hon. Minister and if he explains as to why an ordinance was promulgated while the Bill was under discussion in this house, then, perhaps we might consider supporting it, but as it is, these are many obnoxious features of the Bill which I would like to point out to the hon. Minister.

SHRI E. AHAMED (Manjeri): Mr. Deputy Speaker, Sir, I welcome the Bill and I support the contents of the Bill. As many of the hon. Members have pointed out, I could not understand why the hon. Minister was constrained to promulgate an ordinance.

15.00 hrs.

Even without the ordinance the Bill which has already been partly discussed

in this House could have been proceeded with. As hon. Members have pointed out, the power of the Government in promulgating ordinance shall not be misused for the benefit of the Government without any urgent purpose. Therefore it is for the hon. Minister to tell the House as to what steps he has taken after the promulgation of the ordinance. I do not find any difference between the Bill and the ordinance. We can discuss in detail the Bill as such without promulgating an ordinance.

The most important thing I would like to point out here is that the Government should come with a policy on aviation. Here is a Bill today. There are a number of statements like the open sky policy. The Government is going to introduce a new policy. What is that policy? The Minister must categorically state in this House the policy of the Government with respect to the open sky policy and other aviation Policy. Is the Government going to liberalise the entire aviation rules and norms? Now for international air traffic there are certain controls. The Government must also have the bilateral agreement with the other countries. Is the Government going to do away with that? Is the Government giving permission to any international airline to come to India at their will and pleasure? There are the things we would like to know.

Of course I do not support the State monopoly in the civil aviation. The present state of affairs that we find in Indian Air lines and in the Air India is a direct result of the State monopoly. Only because this House is making a law for disinvestment of the shares and is going to capital market to have more shares from the public, there is absolutely no problem for the Indian Airlines or Air India as long as the Government holds the majority of the

shares. Government shall not allow anybody else to have a majority of shares. For this we would not agree. Government must have the majority of the shares. Even when the disinvestment comes, preference should be given to the employees of the Air India and the Indian Air lines because it will give them a sense of involvement in the affairs of the air lines. Once this involvement is there, they will also have their sense of duty and they will also be constrained to change their work culture which unfortunately is missing.

The question before the country is whether in the name of ideology, whether in the name of the state monopoly are we to leave our national flag carriers — Air India and Indian Airlines — like this. What is the position of the Air India? A small country like Singapore has placed orders for 24 '747' 400 series aircraft whereas this great country where we live could only place orders for four, out of which we could purchase only three. why? We do not have resources. How can we mobilise resources? The Government will not be able to give any financial assistance. I understand that the Government has not given any financial assistance to two of our national carriers. They will have to go to the financial institutions for which they must have the liberty, they must have the freedom. If the Prime Minister of India will undertake a foreign tour how many schedules of the Air India get cancelled? It is a national shame for an Indian to see in a foreign country the Air India cancelling their schedule to the distress of Indian passengers.

It is causing much disturbance to the passengers coming to India. Other international airlines are cornering the revenue. They are getting revenue from the Indian passengers who want to travel

[Shri E. Ahmed]

to their own mother land and using other international carriers.

Now, I would like to know the Government's intention with respect to the policy of liberalisation? Even now, there are five international airlines skipping India. They are not coming to India. For example, Japan Airlines, Iberia, Trans World airlines Alitalia and Qantas are not coming to India because all the airlines have now acquired a long — aircraft like '747' and other new series in this field. But we are not up to the mark so far. Air India has got the best pilots available in the world. Air India has got technology, Air India has been awarded for the best international in flight catering position and flight services. This is only now we have got these awards. But we are not able to give Air India these awards the necessary financial assistance of encouragement and other necessities which they require from time to time.

As far as Indian Air lines is concerned, many of my friends have also pointed out that there are 30,000 passengers a day out of which it will be able to cater only to 20,000 passengers. The private airlines are sharing 8,000 among themselves. I would like to say one thing. If there is an Indian Airlines flight, there will be no other airline which our people would like to use. Only because we do not have the Indian Airlines flight available as and when we need, and only when we are not able to have the routes or the time-schedule, the people will naturally go to other airlines.

Everybody is speaking about the Indian Airlines. I do agree that they started improving it only after introduction of the private airlines. One cannot deny

this fact. They have started serving the passengers better only after the private airlines came into the field. I do not say that the private airlines should be helped to the expense of our national carriers. I do not say that the Indian Airlines should be neglected. Indian Airlines should be given all the benefit and assistance. Even now, what is the position of the Airlines? Everybody says about open-sky Policy. Indian Airlines will start their operations from Calicut to Jeddah. Indians who are trying to find seats in other international Airlines will come back to our own national carrier. But we are not able to do that at the appropriate time. There should be a real perception so far as our airlines are concerned. We are not in a position to give them adequate assistance at the proper time. Therefore, we are to change the entire outlook so far as the aviation industry is concerned.

We must also evolve a policy where our airlines will be in a position to complete with other international airlines. In anyway, it is good to have a healthy competition in the domestic airlines. It is a welcome feature so far as the country is concerned.

But we should also give assistance, that is required, at the appropriate time to Indian Airlines. We must also help them to out of the present position. I know it very well that Mr. George Fernandes will be in a better position to say as he was a Minister then, about grounding of 320 aircraft. Because of the grounding of that aircraft by the then Government, the Indian Airlines have lost Rs. 293 crore.

Even now, Indian Airlines are losing about Rs. 20 crore every month because of the present hike in the prices of oil and other things. Therefore, considering all the aspects, it is in the best interests of our airlines to have this Bill.

Sir, we are all aware that airworthiness and safety are the two most important aspects. I would emphasise that airworthiness rules should be strictly followed. So far as the safety measures are concerned, we have only the first generation ground radar in Delhi and in Bombay. There was a demand from both Members of Parliament and public that we must also instal the latest sophisticated ground radar system for the safety of our aircraft. When we have made liberalisation in the aviation policy, why do not we also instal the most modern equipment with which other international airports have been equipped with? We have not paid any attention to this aspect. The hon. Minister has invited the Members of the Parliamentary Committee to see the sophisticated system at Delhi Airport and we are grateful to have a first hand information about it. Unfortunately, we do not have these sophisticated systems that the other international airports are having. Therefore, I request the Minister to equip our airports especially Delhi and Bombay Airport with the most sophisticated third generation radar and other systems.

I have just one more point.

MR. DEPUTY SPEAKER: Let that one point be covered by other hon. Members.

SHRI E. AHAMED: Sir, I am going to raise a point in respect of Calicut Airport which is my constituency and I am sure no other Member will refer to it.

Sir, in Calicut Airport there are about 13 to 19 flights every week to the Gulf countries. That is really giving a boost to our Indian Airlines. Indian Airlines will be able to stand on its legs if more services are operated from Calcutta. Therefore, I urge upon the hon. Minister to

consider the request of those Indians living in the Gulf countries, especially in Bahrain, Qatar and Saudi Arabia for more flights to these countries from Calicut. It will bring more and more revenue which we are unfortunately losing because we do not have sufficient aircraft with the Air India or in the Indian Airlines. Therefore, I hope the hon. Minister will consider this request favourably. I welcome this Bill.

SHRI PRITHVIRAJ D. CHAVAN (Karad): Mr. Deputy Speaker Sir, I rise to support the Bill. One of the twin objectives of this Bill is to eliminate the state monopoly in aviation in order to introduce competition and also to legalise the operation of private airlines which are masquerading today as air taxi operators in direct violation of an Act of Parliament. As per the new Industrial Policy announced in July 1991, we have permitted entry of private sector into the field of civil aviation. The second objective is to restructure the two national carriers as limited liability companies. This is sought to be done for getting additional capital urgently required to modernise and expand the two carriers. A vibrant air transportation industry in the country today has fully vindicated the decision, to nationalise civil aviation sector and to create a state monopoly, which was taken forty years ago. It is highly laudable that the two national carriers and the two Airport Authorities have established an excellent infrastructure, imbibed new technology, grew without budgetary support, earned substantial foreign exchange and contributed substantially to the exchequer.

They have about 48,000 employees and still their fares are the lowest in the world. They have done all this after meeting the social objective of running unremunerative routes, even at a loss, of

[Shri Prithviraj D. Chavan]

creating reservations in employment paying higher fuel price and also undertaking emergency operation as a second line of defence. They have contributed greatly to the development of tourism, which today has become the largest industry in the world. But continuation of state monopoly has now become counter-productive. People on both sides of the House will agree that leads to inefficiency, leads to vices and also leads to sluggish operations. Therefore we had to do away with monopoly. This is what we have done in the new Industrial Policy.

There is also a need to inject fresh capital so as to modernise the fleet. There is tremendous competition internationally. The passenger traffic is going down. We have to modernise the fleet, not necessarily expand the sitting capacity. But, unless we introduce fuel efficiency modernise our airports with the latest radar equipment we would not be able to compete. With the scarcity of resources, wherefrom is the money going to come?

We all agree that this being the elitist sector, it should not be given any budgetary support. Therefore, we have to restructure it. Unfortunately, not only the two national carriers but our entire public sector has a very bad image. They have done a tremendous service to the nation. What has happened in the case of Indian Airlines or Air India? They are being forced to operate on unremunerative routes and nobody compensates for that. They are required to pay a price for aviation turbine fuel which is 177 percent higher.

We are cross subsidizing other sectors of industry by making Civil Avia-

tion pay higher fuel prices. When carrying VIPs, the whole schedule gets disturbed. We are forcing our airlines to undertake national emergency duties and nobody pays for that. They have done a great service in operations like IPKF. Uptil now profit was never the sole criterion. Creating infrastructure or fulfilling a social obligation was the most important thing. But with the new economic thinking, with what has happened in Soviet Union and Eastern Europe, we have to look into all these things afresh. We have introduced a new Economic Policy where we are trying to introduce a competition, trying to get fresh capital from the public. Time is right for there is a well developed capital market.

Now, I come to the ordinance. I cannot but agree with the friends in opposition that the timing of the ordinance was not right. It unnecessarily creates suspicion for some hidden time table. What was the need to issue the ordinance just 20 days before the Parliament was to commence? I feel that this Bill should have come in two parts. The first part was to repeal or to amend section 18 of the Air Corporation Act which grants statutory monopoly. That is one aspect and that should have come not now but two years back, that is in July, 1991 when the Government of India decided to throw open the Civil Aviation sector to private sector. It has come too late. I also feel that the second part, that is conversion of the Air Corporations to Limited Companies is should not be done in a haste. We have seen that in trying to get public sector companies, we have lost heavily. The balance sheet of these two companies has to look healthy. Unfortunately, the amount of equity capital that was given to Indian Airlines was about Rs. 55 crore. With that capital from Government of

India and with no further budgetary support, both the airlines taken together have got a net capital worth of Rs. 1500 crore. This has to be reflected properly in the balance sheet so that when shares are offered to the public, we get the right price for it.

Sir, the replacement cost of this infrastructures, probably, is not less than Rs. 5,000 crore. This has to be truly reflected in the Balance Sheets before we dis-invest.

Sir, restructuring is going to raise some problem. Some problems were raised by our friends on the left. Does this Act prohibit the Executive from dis-investing? The answer is not very clear. We are not sure. We have been told that the intention is not to dis-invest but to only dilute the Government equity to get additional equity. But, the fear is whether the Government equity will go down below 51 percent? Will it go out of the Government's hands? If you please look at Section 9, it gives powers to the Government to give directions to the Airlines. If these powers are given, then obviously, you cannot have equity below 51 per cent. The Government cannot privatise Airlines and at the same time, give directions. So, in Section 9, it is implied that the equity will not come down below 51 per cent. I think, the Minister can consider putting that explicitly, by amending Section 9, by saying that the Government equity will never come down below 51 per cent, because these national carriers can not be allowed to go into anybody else's hands. We would also like to know, before issuing shares of these companies, whether they will be listed on the Stock Exchanges so that the true worth of these companies is known. This should be made very clear. I think, by just stating that it will not be there

because this can only be changed by the Government, it will not serve any purpose. It will have to be made very clear whether direct foreign equity will be allowed or not because it is through foreign institutional investors foreigners can always buy shares.

There are other problems which need to be answered viz. regarding the whole business of allowing the private sector to come in and run scheduled air services etc. There is the question of unremunerative route. Who will now run the unremunerative route? Will it be left to the Indian Airlines alone to run them or will the private airlines — when they become private airlines — or the air taxi operators be forced by the Government to run these unremunerative routes? I think, the Government will have to categorise certain routes as unremunerative routes and force every licensee to operate at least, 20 to or 25 percent of the total carrying capacity in the unremunerative routes.

Another important aspect is about safety and maintenance of aircraft. It is very sad that the air taxi operators are operating without adequate maintenance or engineering infrastructure. Ten aircrafts are in operation without even a single hanger. Maintenance is being done in the open on the tarmac which is not safe. There are instances when all the systems were not working in the aircraft and still the pilots were forced to fly the aircraft. This would never happen in case of Indian Airlines. Sir, these Airlines are also operating obsolete aircraft viz. Boeing 737 (200 series). Because of their high noise level, these old aircrafts are not being permitted to land anywhere in the Western Europe and America.

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Sir, what I also fear is this. Who is going to fix the tariff? Who is going to fix the price of tickets? Are we going to have some kind of a Tariff Commission? What will happen in case of cartelisation as we have recently seen? Whether you like it or not the Air taxi operators have got together and have formed a cartel. How do you break this cartel? How do you stop unfair trade practices? How do you stop misleading advertisements? How do you stop unethical promotion?

Sir, the next point, which has been raised by many friends, is about the second line of defence. Will you force the private airlines to undertake Government duties, emergency defence duties like the Indian Airlines?

Otherwise, it will not be a level playing field. We are also apprehensive about the backdoor entry of foreign airlines in the domestic routes. No country, not even the United States allows foreign airlines to operate in the domestic routes. There is a possibility of it unless we clearly enunciate our policy that foreign companies, foreign national airlines, or foreign countries may enter our domestic routes.

In licensing, there is need for a transparent policy. We cannot allow any number of private airlines who have some money to come and start operating private airlines. We have to lay down some restrictions. There is a reduction in the passenger traffic. Already, The Indian Airlines have lost 19 percent of their traffic to others and there is no point in allowing everybody to run his aircraft on our domestic routes: there is no point in creating excess capacity and wasting valuable resources. We have to see whether every private airlines is going to be viable or not.

About personnel, there are reservations about the loss of jobs. The Minister has clearly stated a number of times that there will be no loss of jobs and jobs will be protected. We are satisfied about that. The employees' benefits will not be changed at all.

There is another problem of poaching of personnel from Indian Airlines who have been trained at a very great cost to the nation, by these private operators. There is need for self-discipline within the industry or a code of conduct to come out. Otherwise, the Government will have to intervene.

There is need to enunciate a national transportation policy, not only for airlines sector, but even for the state transport buses. This problem of running unremunerative routes is going to be faced by every transport operator; whether it is air field or road sector; it must be very clearly decided. Who will pay for the infrastructure, which is a very expensive proposition? Also I feel there is a need to have an independent air transportation authority or a Board as the one that is existing in the United Kingdom and USA. This has to be an autonomous body, not the Government Department like the Director-General of Civil Aviation, it has to be responsible for safety, for licensing of new private operators, for maintenance policy, for new investment in civil aviation infrastructure, for regulation and for designating unremunerative routes. There is a need to directly subsidise unremunerative routes; there is no point in fixing low fare. Let us have a policy where fares of even the unremunerative routes are fixed freely with the market prices and all that. But if a route is designated as an unremunerative route, then Government must directly pay subsidy so

that balance-sheet is not affected. There should be no negative image created about the airlines.

There are two other points which have been mentioned by colleagues about the cost of the aviation turbine fuel which the Indian Airlines is paying. This cost is about 177 percent higher than the international price. We would like to know whether the Government of India will allow these airlines to import directly whatever fuel they want, because in the condition of recession, we should not burden them with this high aviation turbine fuel cost and try to cross subsidise low cost kerosene. There should be transparency; there should be no cross subsidy.

So also another suggestion is about the Inland Travel Tax which is today charged at the rate of 15 per cent. It is making air travel more expensive. I do not have anything against that tax but it should not be an inland travel tax which is used to reduce the budget deficit, but it should be an aviation development fund which is directly used for creating the civil aviation infrastructure. Alternatively, it could be excise duty which is shared with the States.

What we want is the level playing field between the national carriers and the private airlines. In no way should the private airlines get any benefit out of Government policy.

There is a tremendous recession in the world. Safe, efficient, reliable and widespread air transport network is vital to a modern industrial State. We cannot allow our national carriers to languish and die out in the face of world recession; they must modernize and we cannot continue

to give them budgetary support due to scarcity of resources.

We must stick to the principle of "user must pay" in this field. These carriers cannot be stifled by continuing to run them as bureaucratic Government departments. This Bill will allow both objectives to happen.

Before I conclude, I would say one last point regarding my area. I have written to the Civil Aviation Minister about the Kolhapur Airport in Western Maharashtra. The Government of Maharashtra had bought land and given to the Civil Aviation Department for creating an airport at Kolhapur. But National Airport Authority due to lack of resources, could not develop this airport. So the Maharashtra took it upon themselves to develop a small air-strip at Kolhapur and create facilities.

This airport is crucial for industrial development of Western Maharashtra. The Chief Minister of Maharashtra has written to the hon. Minister requesting him to return the land taken for the Kolhapur airport to the Maharashtra State has invested in developing a modern international airport at Kolhapur.

I am sure the Minister will accept. He said that this is the policy of the Government to let anybody develop infrastructural facilities. If he agrees, he should give us an assurance.

Finally, I support the Bill with guarded optimism. I am sure it will lead to a better civil aviation industry in India.

MAJ. GEN. (RETD.) BHUWAN CHANDRA KHANDURI (Garhwal): Sir, as I rise to speak on the Air Corporation Bill, I cannot help expressing my feelings of amazement and amusement at the manner in which this Government continues to display its low calibre and callousness in dealing with matters with national importance.

Sir, this Government, it seems to me, is inflicted with the malady of "self-condemnation". Even when it wants to do something good, something sensible, it makes such a hash, such a hotch-potch of it, handles it so inefficiently that the whole thing begins to look suspicious and undesirable. This Bill is a classic example of this type of confused thinking by the Government.

The Bill was introduced on 4th May 1992 with much fanfare. We thought that it was going to be passed in quite a hurry. Now after almost two years, it appears to us that no homework was done; and a good concept of "healthy competition in the Air Travel" degenerated into a competition in confused thinking within the cabinet. After all, these matter are to be decided by the Cabinet and not by an individual Minister. Therefore, it is surprising that for two years this dragged on, and in between the current Minister made some statements and we thought that the whole thing had gone into cold storage. But now it has been revived after two years.

Not only this, now after one year and ten months, I think, the Minister will have to come out with an amendment to the very initial parts of the Bill when it says;

"Be it enacted by the Parliament in 43rd year."

Now we come on to the 44th year. Similarly the Act of 1992 becomes the Act of 1993. There is no reason why such a delay would have taken place if there was a proper thinking on the part of the Government.

The next point I wish to talk about is the Ordinance. Enough has been said about this. But I would like to convey my feelings also not only in surprise and disgust but in distress at the manner in which this Government continues to treat this House and this Parliament.

Sir, the Minister needs to give us a detailed explanation as to what has happened between 29th of January and today, which enabled him, which forced him to issue an ordinance. I request him that he should give us concrete, specific issues that have been taken care of between 29th January and today by issue of this ordinance. Otherwise, it would appear that this Government is just in the habit of issuing ordinances at the drop of a hat without thinking anything.

We had a similar case recently when we had an ordinance on Human Rights Commission.

Now I will make some observations. The Government talks of "healthy competition in air" One had thought that only after the Parliament approved the Bill, these activities would start taking place. But the air taxis started their work much before the Bill was passed. In fact, they have been under operation for a long time and in between when this point was raised in Parliament and observations were made, the present Minister said that

he would not allow the schedules and other things to be issued by the air taxis. But it appears that nobody is listening to this Government. The private air companies are doing whatever they feel like. I have here an advertisement dated the 15th December, 1993. The hon. Minister may like to see it. It gives a schedule of travel to various places. What sort of a Government are they running here? In the House you say that you would not allow schedules to be issued. On the other side, the private companies are issuing the schedules. If you have no will to govern, then give in to the private companies and ask them to do whatever they feel like. But if they want to run the Government, then issue instructions or orders and see that these are obeyed. How the private companies going on their own, not caring for the Government?

The next point about the private air companies is — I do not know what the Government has in mind—whether the private airlines are going to share the unprofitable routes. Are they going to be free to choose their routes and restrict themselves to the profitable routes only, with the result that the Indian Airlines which is already in trouble will be in further trouble? We would like the hon. Minister to clarify this.

The next point is about raising capital. Somewhere it has stated that the Limited Companies would be free to raise capital. On the one side the Government is saying that these corporations are inefficient, not working properly and therefore they are organising a change. Then does the Government expect the private financiers to finance these companies? Why will they do it? They will go to the private companies. We would like to know from the Government as to what is the strategy in collection, or in raising of this private

capital. Apparently, it appears that there is no strategy. It is just a shot in the dark and only a statement has been made that the change will enable raising of capital.

The next point is, it is stated somewhere about dovetailing of private sector with the Limited Companies. I do not know here again, whether any strategy has been worked out and if the details have been worked out, I would like to know the Minister as to what exactly the Government has in mind. I think that if the Government wants to utilise the private sector, it is fine. It should be used to increase efficiency and productivity of the system for the benefit of the common man. I would like to know from the Government whether such a thing has been done or is planned.

In this context, I would like to know the Government's views on two points: one is sharing of unprofitable routes, as I said. The second is whether the Government is also considering involving private sector or private companies in the construction, maintenance and upkeep of air fields which by itself is quite an expensive business.

The previous speaker, Shri Prithviraj D. Chavan has mentioned about Clause 9. He has raised one aspect of it. I want to raise another. By this clause is the Government trying to keep a bureaucratic control on these Limited Companies? If it is so, then what is the difference between the present set up and the new set up? The idea should be to allow these people to function freely. They should have the authority to do what they want. But if the Government is utilising this clause to have the bureaucratic control, I would request the hon. Minister to have a re-thinking on it. The moment the Government keeps on having the

[Maj. Gen. (Retd.) Bhuwan Chandra
Khanduri]

bureaucratic control—then more than half the people on Boards will be from these various bureaucratic set up, then the Government is not going to have an efficient running system. It will once again be something of an inefficient and unproductive Indian Airlines.

One more point before I conclude. It is about my area. My sector has a tremendous tourism potential. The hon. Minister also looks after that Department. We have a small airfield near Dehradun called Jolly, grant. From 8th November 1993 till today there has been no Vayudoot flight, which is supposed to be a daily flight from Delhi to Dehradun. The flight have stopped and the travelling public is suffering. I would like to know from the hon. Minister what is going to happen to Vayudoot services. Are they going to be continued or will they be discontinued?

Is there any schedule for the private airlines to look after this area? This point may kindly be clarified.

Secondly, this area needs a bigger aerodrome. I had written to the hon. Minister about the expansion of Jolly Grant aerodrome so as to take a Boeing Aircraft. I would therefore request the hon. Minister not only to give his views but also try to see that a bigger aerodrome which would enable to take a Boeing Aircraft is provided in this area. It will give you not only national tourism potential but also international tourism potential.

With these words, I hope that the Government would take care of all the lacunae that had been pointed out and the Government would take care that its

inept handling that had gone on so far does not continue beyond and we have a productive and efficient air travel with proper competition in the air.

With these words, I support the Bill.

SHRI BIJOY KRISHNA HANDIQUÉ
(Jorhat): Mr. Deputy-Speaker, Sir, I rise to oppose the Statutory Resolution and to support the Bill introduced by the hon. Minister of Civil Aviation.

Sir, I must make one thing clear. As one hon. Member has said, if we support the Bill we underestimate the achievement of Indian Airlines and Air India Corporations. That is a wrong thing. Nobody is doing that. Even, at the outset I must admit that Indian Airlines Corporation and Air India Corporations have achievements spanning about four decades to boast of. Indian Airlines had built up an infrastructure across the country, placing it in the map of civil aviation in a big way. Air India Corporation has kept the standard of Indian civil aviation high up in the international sky. Indian Airlines and Air India Corporation have, however, reached a point of development, which calls for massive investment, to keep it going to the satisfaction of the air travelling public. Sir, resource crunch is the problem. Even my hon. friend, Shri Syed Shahabuddin has complained about this. In spite of the infrastructure that I am referring to even thirty per cent of the country is not covered by this infrastructure. Even accessible areas, as the hon. Member Shri Syed Shahabuddin has said, from Bihar to Bagdogra are not covered. They are not inaccessible areas. There are inaccessible areas in the North Eastern Region and in Ladakh. So, accessible areas are not covered by the infrastructure. We have a lot of things to do.

It is an achievement on the part of the Indian Airlines. There is no doubt about it. But we have a long way to go. And for that, we do not have enough resources.

Sir, the Government is now left with two alternatives. The first alternative is to make resources flow from private capital into our air transport sector and particularly to the Indian Airlines. And the second alternative is to let things drift at the cost of national interest and at the cost of travelling public. In any case, the second alternative will pave the way for the collapse of the Indian Airlines if this resource crunch is allowed to continue.

Sir, any sane Government will chose the first alternative. But this does not mean that Indian Airlines will be privatised. I do not know why they are saying that it will be privatised. What is sought to be done is to give manoeuverability to the Indian Airlines and Air India Corporations to borrow from the market to tide over its financial crisis. That is what is required. The Government will have a control over the company. We have earlier converted ONGC into a public company and the Government is still having a control over them. Nothing has changed. And no workers had been thrown out. No foreign company has grippled the ONGC on its neck.

These are the wrong things and wrong interpretation.

I have certain problems of the North Eastern Region. At the moment, in our region we have an apology for air service. We would not call it air service. It is an apology for air service. I give you some instances. When this Vayudoot was trumpeted into existence with so much fanfare in the early 80s, we were given the hope that not easily accessible regions like

North Eastern Region, Laddakh and Lakshadweep etc. will be covered by Vayudoot. But the story of Vayudoot is a big joke on pep talks about development of North-Eastern Regions' air communication and for that matter the development of air communication in Laddakh or in areas like Lakshadweep. Vayudoot which was built up as the third level Airlines for communication-wise difficult regions has just now been reduced to a thinner than skeleton service. Out of the 30 aircraft, 28 have been grounded. That is why, I say that in North Eastern Region what you have is not an air service but an apology for air service. It is tolerable upto Guwahati. In Delhi, our officials imagination seems to be limited to Guwahati only, that much talked about Gateway to the North Eastern Region. But, Guwahati is not all of the North East. No important towns like Dibrugarh, Jorhat and Tejpur are air linked to Guwahati. Dibrugarh has just been air-linked to Guwahati for two days only last month. The Silcher town located in the Barrack valley, communication-wise is a very difficult region, is connected with Guwahati for two days only, Imphal, the State Capital of Manipur is connected with Delhi and Guwahati just for two days. Dimapur Airport of Nagaland is connected with Delhi-Guwahati just two days. There is no air service to Lakhimpur at all. Lilabari which was still a few years ago was used by Arunachal and Lakhimpur District has been lying idle for years. This is the so-called gateway approach of Indian Airlines in respect of the North East. It is not enough to dump the passengers at Guwahati and then return to Delhi. Do you know from Guwahati to Tejpur it is four hours drive; to Jorhat it is six-hours drive; to Dibrugarh it is nine hours drive and to Lakhimpur it is ten hours drive, unless one sails across the mighty river Brahmaputra from Dibrugarh. Unless judi-

[Shri Bijoy Krishna Handique]

scious distribution of routes is done among the Indian Airlines and private Airlines, things will not improve. As a matter of fact, two small aircraft need to be based in Guwahati, one at Guwahati, and another at Dibrugarh for aircraft for airlinking the important towns. We should bear in mind that it is good and facile communication which can break through the barriers of isolation, which is the basic point of alienation. So, I do hope that the hon. Minister will keep it in mind and take necessary action to correct the situation.

What is needed is the political will to translate into reality the Government's assurance of air linking all those not easily accessible regions. I hope the hon. Minister will take a note of that.

I do admit one thing. As I have already stated, Indian Airlines and Air India have great achievements. And so the private airlines must not be allowed to walk away with the cream of infrastructure meticulously built by Indian Airlines over the years. Every trunk route between the capital and a metropolitan city or between two metropolitan cities should be tagged to a service in uneconomic zones or just no-profit-no-loss zones and those not easily accessible areas.

I do believe that while this corporation will be converted into a company, Government will see that the worker's rights and worker's advantages and the facilities are all maintained.

I do hope the hon. Minister will make a probe in another scandal which has been going on like a racket. Very often we are told that there are no seats and the whole flight is sold out. But when we

go to the aircraft we find that there is at least 20 percent accommodation still available in the aircraft. How does it happen? It is so not only in domestic flights but in the international flights, too. I hope the hon. Minister will probe into that and come out with a comprehensive air transport policy because adhocism will not help. Adhocism will not take us far. It will only create confusion and contradictions.

With these words I conclude my speech though I have got some more points to be placed before you. I am happy that I have at least placed the problems of my region before this august House and before the hon. Minister and I do hope that these problems will be looked into by the hon. Minister and he will take action on them.

MR. DEPUTY SPEAKER: Shri Asoka Raj to speak now. It is expected that we shall have to close this at 4 p.m. So the subsequent speakers may take 2-3 minutes each.

SHRI INDER JIT (Darjeeling): Sir, why not give more time for this important Bill? The discussion on Motion of Thanks to the President's Address can start tomorrow.

SHRI LOKANATH CHOUDHURY (Jagatsinghpur): Sir, this is an important Bill. I was in the Standing Committee. I had given a note of dissent. I must have the opportunity to speak. I know that many are opposing it here, I am one of the three persons who gave notes of dissent. You should give me the freedom to express my views which I had expressed in the Standing Committee.

MR. DEPUTY SPEAKER: Do you want freedom or time to speak?

SHRI CHITTA BASU: Sir, all the parties have to be given scope to express their views because it represents the very policy change of the Government. It is not a simple Bill.

SHRI SIVAJI PATNAIK (Bhubaneswar): Sir, I must also be given time to speak. I was also in the Standing Committee. I also opposed and gave a note of dissent.

MR. DEPUTY SPEAKER: Let us see.

SHRI INDER JIT: Sir, is it an order that the Member of the Standing Committee who submitted minutes of dissent have to participate in the debate in the House?

SHRI CHITTA BASU: Why not?

SHRI NIRMAL KANTI CHATTERJEE (Dumdum): Sir, by way of clarification, let me inform the hon. Member that when we discussed formation of the Standing Committee, a view was taken that if — and at all — the reports of the Committee would be discussed in the House, even those Members, who have submitted their notes of dissent would be given special preference.

MR. DEPUTY SPEAKER: Let us see. Shri Asoka Raj to speak now.

SHRI A. ASOKARAJ (Perambalur): Mr. Deputy Speaker, Sir, thanks you for giving me this opportunity. I would like to say a few words on behalf of our Party, the All India A.D.M.K. We are in need of a clear-cut national aviation policy, that is the Government should explain clearly about its open-sky policy.

I would like to urge the Government to restrict its roll to safety of passengers and security of selected airport for strategic reasons.

I would like to say that after the economic liberalisation and rupee convertibility provided the much needed foreign exchange, we have seen in the newspaper that the Government took a loan of Rs. 350 crores and the Government had approved the plan for the sub-continent's biggest of technological and infrastructure upgradation. I would like to know from the hon. Minister as to what is the nature of the loan and how it is being utilised.

Sir, open sky policy is an essential part of the reform process and to that extent the monopoly of the Indian Airlines and the Air India have to go. One aspect of the reform is competitively pricing and better services. As of now, there is no recognition for the need to give the commuter a ride that is smooth as well as economical.

Sir, I would like to know from the hon. Minister whether we are going to have the policy of reservation for the Scheduled Castes and the Scheduled Tribes in all the private airline companies. I would also like to know the position of the private air operators and their part in the maintenance or the construction of the airports of our country. We are giving training to the pilots by spending a huge amount of money, but the pilots are leaving the Indian Airlines and they are joining the private airline companies. So, I would like to know as to how we are managing this issue.

Sir, Tiruchirapalli is the nearest airport to my constituency. Even though we

*(Transfer of**Bill*

[Shri A. Asokaraj]

do not have any airport in my constituency, Tiruchirapalli is the nearest airport and it is connected with Madras and Madurai. The Air Lanka aircrafts are also coming there. So, I would request the Hon. Minister to improve the airport so that bigger aircrafts can land there. The Government must clearly spell out its policy, because there is a lot of confusion among the public. I would request the hon. Minister to take care of all these things.

[Translation]

SHRI GEORGE FERNANDES (Muzaffarpur): Mr. Deputy Speaker, Sir, I rise to oppose both this Ordinance and the Bill. Almost all the hon. Members have put forth their viewpoints and I think no one will be having any abjection regarding the Ordinance. Through this Bill Government is making efforts to change the economic policies of the country. I am submitting it when the Bill was being moved, the hon. Minister present in the House but is not present now to accomplish the unfinished task. I would like to submit a few words on

the working of democratic aspirations of the country.
16.00 hrs. Here I won't like to use my own terminology but of Shri Mavalankar, the first Speaker of Lok Sabha, and also of the first Prime Minister of India, who the other side considers as their patriarch. Shri Mavalankar, on 25.11.1950 at the time of beginning of the promulgation of Ordinance system wrote to the Ministry of Parliamentary Affairs that:

[English]

"The procedure of the promulgation of ordinance is inherently undemo-

cratic. Whether the ordinance is justifiable or not, the issue of a large number of ordinance has psychologically a bad effect. The people carry an impression that Government is carried on by ordinance. The House carries a sense of being ignored and the Central Secretariat perhaps gets into the habit of slackness which necessitates ordinance and an impression is created that it is desired to commit the House to a particular legislation."

It is desired to commit the House to a particular legislation.

[Translation]

In its reply Pt. Nehru on 13th December wrote:

[English]

"I think, all of us, my colleagues will agree with you that the issue of ordinance is normally not desirable and should be avoided except on special and urgent occasions."

[Translation]

After a gap of nearly 4 years on 17.7.94 Pt. Nehru who is being adored by these people and whose portrait is also displayed in their houses, again wrote a letter to Shri Mavalankar. Hon. Minister should please listen and also bring to the notice of the Government what Pt. Nehru wrote.

[English]

"The issue of an ordinance is undemocratic and cannot be Justified except in cases of extreme urgency and emergency."

[*Translation*]

I would like to know the urgency and emergency for promulgating the Ordinance? On 4.5.1992 this legislation was introduced in the first stance and within a few months two years time is going to be completed. At the time of introduction of the Bill the senior Minister was not present in the House and only the junior Minister was present. I had opposed the introduction on a few constitutional issues. At that time the chair postponed the discussion and therefore, it could not be introduced and the matter was dropped by the Government. Later on 6.8.1993 the Bill was referred to the Standing Committee by the Hon. Speaker. I will refer the reports afterwards wherein facts have been totally distorted by your Minister knowingly or unknowingly some hon. Members are trying to mislead both the country and the House. There was neither any urgency nor any emergency since laws were already there. The Government could have it in the last session. Even if the Bill had been referred to the Standing Committee as the report had been submitted well in time on 20th October. Later on in Winter Session the Bill could have been moved. However, instead on 29th January the Ordinance was promulgated even when only a few days were left for the beginning of the Budget session. Had there been any urgency or emergency the reasons could have well been explained in the ordinance but there was no mention of anything. Just the mention of chronology of introduction and other details have been mentioned for promulgating the ordinance.

Shri Mavlankar rightly stressed that things are done first through ordinances and then got approved from the Parliament in the shape of a Bill in utter disre-

gard of parliamentary norms. Sir, all this needs to be strongly condemned.

I fail to understand the logic. I have heard all the speeches made in the House and in the Standing Committee. I consider the latter to be the representative of the Parliament even though Shri Salve may not attach any importance to these committees like the JPC was totally devalued by him but I think every committee is the representative of the Parliament and can be termed as a mini Parliament. A note was sent to the Committee by the Civil Aviation Department. It is not clear whether the note was signed by you or not but definitely the things contained in the note were aimed towards misguiding the House, the Parliament and the country. Even then some hon. Members submit : Please excuse me I have the copy of the cyclostyled report. On page two paragraph 9 :

[*English*]

"Page 2, paragraph 9 under the "New Economic Policy Investment in Private Sector."

[*Translation*]

At the end of the paragraph it is stated that

[*English*]

"Private participation in the transport industry needs removal of statutory restrictions imposed under the Air Corporation Act against anyone other than the Air Corporation and their associates to operate scheduled air transport service."

[Shri George Fernandes]

[*Translation*]

Already I have accepted it. However, there are differences whether it should be allowed or not? In my views it should not be allowed and I would like to say something in this regard. However, the point mentioned by you is correct that:

[*English*]

"Also to enable the national carriers, Indian Airlines and Air India efficiency in the stiff competitive environment, a need to tap the equity funds on the capital market, has been felt for their growth instead of depending solely on budgetary support. To achieve these objectives, the repeal of the Air Corporation Act, 1953, has been sought."

[*Translation*]

Mr. Deputy Speaker, Sir, I would like to know when did Air India and Indian Airlines approached the Government for budgetary support? Only the Government nationalised these companies and these companies never approached the Government. The Government nationalised the private companies in the country. Formerly companies were owned by Birlas, Tatas and Dalmiyas. Tatas were operating abroad and Birlas and Dalmiyas in the country. There were other companies too like Kalinga Airlines of Biju Patnaik. A Bill to nationalise these was introduced and nationalisation was done. Indian Airlines was set up in 1953. I would like to know after the handing over of the initial capital when did the Board of Air India and Indian Airlines approach the Gov-

ernment with begging bowl? I won't read here the entire accounts. However, it is the report of the Government and not mine. Paid up capital of Indian Airlines.

[*English*]

"In 1991-1992, the latest year for which the figures are available with the people of this country, paid up share capital from Central Government was Rs. 55,03,000/-, loans from the Central Government Rs. 50,04,00,000, loans from foreign parties, from banks Rs. 1,950 crore or on a share capital of only Rs. 55 crores, the gross block of Indian Airlines is Rs. 2,718 crores".

16.09 hrs.

[SHRIMATI GEETA MUKHERJEE *in the Chair.*]

[*Translation*]

There is a report of 1993-94 which has been presented here today by you. We went to the counter just now but found no copy there.

Now the Parliament is being intimated that they want equity and that the Government is not in a position to do so. Rather they can lend loan.

[*English*]

The Indian Airlines and the Air India are in a position to finance your Government. They do not need money from the Exchequer. They have not asked for money from the Exchequer. They raise money through international banks. They raise money from abroad.

[Translation]

This is the report of current year. The Minister has signed it. Air India which has won the award for being the largest Airline in the world, I may mention its capital. People are habitual of condemning it because it is our own service. That is why we never succeed in finding out solutions to problems. We go on tours to foreign countries, we have to travel by Air India planes to go from Bombay to Delhi and vice versa. But we are habitual of condemning Indian Airlines and Air India, as if everything else is all right here. We are very fond of foreign things. The new economic policy of the Government is also based on the same tendency, what is the capital of Air India.

[English]

It is Rs. 79.24 crores; loans from the Central Government is another Rs. 74.86 crores; loans from foreign parties is Rs. 1804 crores; and the gross block on capital of Rs. 79.24 crores is Rs. 2,207 crores.... (Interruptions)

MR. CHAIRMAN : This Bill was supposed to have taken two hours. We have already taken two hours and 51 minutes...(Interruptions)

SHRI SRIKANTA JENA (Cuttack): We can extend it for another two hours.

MR. CHAIRMAN: I can understand it. But probably in the Business Advisory Committee, you all had agreed to take up the discussion on the Motion of Thanks on the President's Address also today itself. You did agree to take up the discussion on the Motion of Thanks on the President's Address today itself.

(Interruptions)

SHRI BASUDEB ACHARIA (Bankura): But it was to be taken up after lunch. (Interruptions)

MR. CHAIRMAN: I am just drawing your attention to this. If you think that you would not do any such thing, that is another thing. But one thing is decided upon. And it is my responsibility to communicate to the House that this was your decision and nobody else's.

(Interruptions)

SHRI BASUDEB ACHARIA: It was decided that the debate on the President's Address would start after lunch. But it was not started...(Interruptions)

SHRI SRIKANTA JENA: We can take it up tomorrow.

MR. CHAIRMAN: It was decided that we would start at 4.00 p.m.

(Interruptions)

SHRI BASUDEB ACHARIA: It was not the decision of the Business Advisory Committee because you were also there and I was also there...(Interruptions)

[Translation]

DR. LAXMI NARAYAN PANDEYA (Mandsaur): There are a few honourable members who have to speak. You are requested to please extend the House for at least one hour...(Interruptions)

[English]

MR. CHAIRMAN: There are four other speakers.

SHRI BASUDEB ACHARIA: The Minister will reply at 5.30 p.m.

MR. CHAIRMAN: I would only appeal to all the Members who are there to speak, including our hon. Member Shri George Fernandes that if they could restrict themselves voluntarily, only then it could be transacted. Otherwise, it is impossible.

Otherwise, it is impossible. Therefore, I am just appealing to you and it is upto you to listen to it or not listen to it because this is your House.

SHRI NIRMAL KANTI CHATTERJEE: No effort will be spread to shorten it and we shall not succeed.

I was trying to remind him, as he is aware, that Air India has so much of funds that it can not only lend to the Government, but, in fact, it has lent to the share market. This is so because it is having international funds. It was reported in the JPC Report that some funds might have reached the Government incidentally...(Interruptions)

MR. CHAIRMAN: Why did your leaders agree in the BAC?

SHRI NIRMAL KANTI CHATTERJEE: We have a right to revise our position.

MR. CHAIRMAN: Let us come down to brass tacks and try to be as cogent and as brief as possible. Let the points be not repeated by each and every one.

[Translation]

SHRI GEORGE FERNANDES: Mr. Chairman, Sir, I was referring to the situa-

tion of not giving adequate funds, and it was not my intention to agitate the hon. Minister or the Government when I did so. If we look at the balance sheet of Air India, or the figures of 1992— since the earlier figures were not published—the capital in Air India chartered is Rs. 5 lakh. It is true that it is an ordinary amount, it is just one day's earning of the aeroplane. The capital of Hotel Corporation is Rs. 40.60 crore and terms of equity it is Rs. 17.98 crore while the loan provided to Vayudoot is just Rs. 15 crore. Hence Air India and Indian Airlines do have the capability even to give loan. They have never sought any assistance from the Government. The price of the aeroplanes purchased recently was given by the Government. The number of aeroplanes demanded from August 1993 to July this year might have been purchased. The total project cost of the new aeroplanes is 682 million dollars which comes to about Rs. 2800 crore. The Government may please tell whether the fund provided was adequate. We are unable to understand why people are being misled.

[English]

Commercial agreement with ANZ and Citi Bank US \$ 74,000,000

Credit account with Exim Bank, United States US \$ 600,030,000

The members of ruling party deliver long speeches here, they may tell from where did the money come. Why do they speak in terms that we do not have good reputation and credibility in the world and thus degrade the institutions having good reputation all over the world. Therefore, the arguments given here are wrong. I do not feel it appropriate that the Members may speak whatever they like in the House. We should speak wisely. Action

should be taken against the officials who passed wrong information regarding the methods to be adopted for taking financial assistance etc. Because they misled the House by means of it. It has been written-

[*English*]

"Over the years, while the two corporations registered impressive growth, they face handicap of constraint of budgetary support and public perception of inadequate service."

But Air India acquires a name as a number one airline in the world. And you have petty people pushing their pens and saying that public perception has all gone haywire.

[*Translation*]

We are displeased with those who have given such statements of public perception. Because it means they are handing over the wealth and property of the country to the foreign people.

[*English*]

You are trying to denigrate our public sector institutions; you are trying to denigrate those people who work all the 24 hours, day and night.

[*Translation*]

The hon. Members are enjoying luxuries of life in their North Block and South Block apartments. Are they aware of what do people say about Mr. Seshan:

[*English*]

One should not denigrate our public institutions like this.

[*Translation*]

The people, who worshipped socialism about two and a half years ago now they are worshipping Madonna and Michael Jackson. Thereafter there was an overnight mass conversion. The Christians were called right Christians but what should I call them now. On what grounds mass conversion takes place? I am using harsh language because the current policy is nothing more than playing with the property of the country.

[*English*]

You have acquired more property since then and you are now towards the end of 1995 March.

[*Translation*]

The total amount is of Rs. 2200/- crores. After that two years more will have to be added. Now the value must have gone up to Rs. three thousand crores. An amount of Rs. 2718 crores belongs to Indian Airlines and today the total amount must have reached the mark of Rs. three thousand five hundred crores. What is the capital base of the whole amount. Try to understand it and the country should also understand this.

[*English*]

On a capital base of Rs 79 crore plus Rs. 55 crore, that is Rs. 134 crore, you have assets of Rs. 6500 crore and on a pittance you are going to sell these assets when you make 49 percent equity available to the people. Who are the people?

[Shri George Fernandes]

[*Translation*]

I am a member of the Standing Committee on Finance. You have brought forward a legislation regarding privatisation of banks. Shri M.S. Ahluwalia had appeared before the committee on the 30th January. I had asked a direct question whether the capital would go to foreign banks or not. He replied that it could go. The banks would float their issues in share market and they can buy them if they so like. He said that they would not let them buy more than 49 percent equity. I asked if the Government could amend it further. He said in a written reply that the Government could do anything. They can make it 49%, 99% or 100% also. Have you not done that? The 24 percent shares of Maruti were in your hands and 24 percent in Japanese hands and the rest of the share percentage was with the Government. You took care of Maruti and availed of the services of multinational companies.

[*English*]

From 49 it became 50 and it is only a matter of time before it becomes a totally Japanese outpost here in India.

[*Translation*]

This capital was earned by Indian Airlines and Air India in the form of profits. Air India earned foreign exchange to the tune of Rs. 553 crores and Indian Airlines earned foreign exchange to the tune of Rs. 402 crores. These companies were in bad shape and they earned foreign exchange of Rs. one thousand crores last year, though, tourists are not visiting Kashmir. This big amount belongs to this country and it was earned with the toil of their employees and all those people who lost their lives in mishaps occurred due to

snags in the engines or who fell on the run-ways and got killed. It was their blood and this money belongs to this country. These companies have worked very honestly but there may also be some dishonest persons in the companies. Many officials are dishonest even today. But what do you propose to do about those honest employees who earned it the hard way? I don't know how much money has been invested by you in this corporation? You are trying to mislead the house in this case also. You have said in the House that the legislation will be passed and company will be incorporated. Has the company not been incorporated? You have told the committee that it has not been incorporated. As per my information it was incorporated two years ago. I stand corrected and I am willing to apologise also. The company officials might have asked you to prepare the balance-sheet hurriedly otherwise the company could not function. That's way, the ordinance has been issued. On one hand, you are trying to befool the House as well as the country and on the other hand, you are handing over India's money to a handful of Indian people and those of the world. I am not saying that the hon'ble Minister is involved in it. A conspiracy has been hatched. You should enquire into the matter. The same thing is taking place in ONGC. Its capital comes to Rs. 40,000 crores. It has earned this capital by investing Rs. 800 crores. You are going to give it to foreigners. We would come to know only later on as to who are those people. How many of them are NRIs and how many of them are those people who had clandestinely sent money abroad and now the same is re-entering our country. The country will come to know of it one day. I am not ready to give our country's capital to a handful of people.

You have given permission to domestic and foreign companies to operate

in the country. I would like to say something about this. I would like to put up a few basic questions to the hon'ble Minister. This legislation tends to completely by-pass the Parliament. Please refer to the section 10 of this legislation in regard to which you want the opinion of the House.

[*English*]

There is a mention about power to remove difficulties'. Now, who is going to define 'difficulties'? I have gone through the definitions. Nothing is written about 'difficulties'. What is the difficulty? What is this omnibus clause that you bureaucrats have introduced into this 'power to remove difficulties'? How do you define 'difficulties'? How can you have a law which says about power to remove difficulties? Am I a difficult person? Will you say:

[*Translation*]

If there is a difficulty, then, have it removed from here. Will you agree if I say that any one of you is a difficulty and hence should be removed? To what extent can these people get any piece of legislation for serving their interests approved by the house? I would like to draw the attention of the hon'ble Minister to their ignoble intentions. I have a Member of this House since 1967 barring one of two terms. We have never come across such a clause in any legislation.

[*English*]

If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order, publish in the official gazette, not inconsistent with the provisions of this Act, remove the difficulty.

[*Translation*]

I would like to know about section 10. You have said that several legislations have similar clause, but you read its next proviso.

The next proviso is—

[*English*]

"Provided that no such order shall be made after the expiry of a period of two years from the coming into force of this Act." In two years, you will have to take care of these things.

[*Translation*]

I am going to conclude now. This august House should never accept this section. Such an arbitrary right should not be given and they will decide as to what is the difficulty there. We have to invite plenty of foreign of capital that does not mean that we should issue an order and hand it over to any foreigner or any Indian for that matter. We want the hon. Minister to show us in which law such an omnibus clause is included?

Madam Chairman, I would like to put forth certain concrete questions before the hon. Minister and urge him to reply to these questions. First of all I would like to know whether barring small Airlines, all the big Airlines in the world like Pan Air, Europe, Scandinavian Lufthansa etc., are not incurring losses? As a result thereof, efforts are being made all over the world to amalgamate them. Even the Airlines of Japan or any other country have initiated the process of amalgamation with other Airlines. Yet in

[Shri George Fernandes]

India two planes are hired on dry lease or wet lease. He is in the Government. My other colleagues have raised the issue of safety and security. It is not the question of safety and security alone. In view of globalisation, the Government is trying to form a company having two planes only. How long can this last? Have the Government ever thought about it? If they have then what is the outcome? We would also like to be aware of these details. Today there has been a recession in the entire airlines industry. Most of the planes of the airlines all over the world are in their hangars today. In order to operate those planes the Government is prepared to reach an agreement with them which means closure of our own airlines. Does the Government have any information in this regard? Whether the hon. Minister is aware of the news that their planes have been grounded? My third question is whether it is true that many persons who are importing planes had in the recent past actually stashed huge sums abroad and now they are converting this black money into white by importing planes to India. Is the Government prepared to probe into it? My next question is whether the Government have not permitted a German Company like Modi Lufthansa to use all our aerodromes after becoming a partner of an indigenous company, in the name of operating Indian planes. Does it happen in any other country in the world? Does it not raise the question of the security of our country? Today America is foremost in allowing private capital in their country. Has America given permission to any foreign Airlines to use all their aerodromes? Today India has become liberal to such an extent. When the question of security arises, it is requested in the aeroplanes not to take photographs

of aerodromes. Checks are made at the time of landing and if somebody has taken a photograph then his camera roll is confiscated by the security police. Therefore, on what ground the Government have opened all our aerodromes for foreigners? Just three years back we faced an embarrassing situation. War broke out in the Gulf. The question of bringing lakhs of employees working there arose, otherwise, many of them would have been killed there. Did any foreign Airlines helped in bringing back our employees to India? On the contrary, they exported money from us. I know many of the pilots and employees of other Indian Airlines and the Air India. Who worked continuously for 20 hours there. But today they are deprived of their rights and these rights are proposed to be handed over to foreign companies. The Government thinks that the world has changed so much that everyone will work together peacefully. But we should watch how America is dealing with Japan and how America is behaving with the countries of Latin America. Then on what ground the Government is allowing their foreign companies to enter India.

MR. CHAIRMAN: Shri George Fernandes, let other hon. Members also speak.

SHRI GEORGE FERNANDES: Is it not true that the hon. Minister has a proposal that—

[*English*]

"Indian Airlines will now become only a maintenance agency."

[*Translation*]

Moreover, all these people would operate their planes and the Indian Air-

lines will become a maintenance agency, they will repair the aeroplanes of other companies. Does the Government have such a proposal today?

Again I would like to know from the hon. Minister how many foreign companies have signed an agreement with indigenous agencies where they will operate two or four planes each in the name of private Airlines an international passengers will travel in India by these private Airlines and Indian passengers will travel abroad by International Airlines. What is the number of such agreements? Do these agreements not imply that these private companies would ruin the business of both the Indian Airlines and the Air India and their own business would prosper here. Would the Government allow the foreign Airlines to prosper at our cost? Does the Government propose to do something to present it? I want the replies to these questions from the hon. Minister.

In the end I would like to say a few words about the result of the proposed total privatisation of this sector. These days private airlines attract passengers by advertising that wine is served on their flights. Why it is advertised that concessions of Rs. 500 each will be given to passengers ? The fact is that they will operate on Golden Triangle which are golden routes for making more and more money and Indian Airlines would be pressed into services in those areas where the source of income is scarce. They will say that it is incurring losses. But the reality is something else. It is the Government and not the Indian Airlines which is responsible for losses in the Indian Airlines for the last two or three years.

When my party was in power we had grounded A-320 planes. I would not

like to go into its justification. But I would like to urge that Indian Airlines should not be blamed for this mess. It was the decision of the Government to ground A-320 planes. The Government had invested Rs. 1700 crores in it and they had to pay interest and maintenance. Therefore, the Government is responsible for it and not the employees of the Indian Airlines. There is a report of the Government which states:

[*English*]

"The financial reserves were badly affected during 1991-92 due to all round increase in cost, upward adjustment of the Indian rupee *Vis-a-Vis* major international currencies."

[*Translation*]

Who has devalued the rupee and made the dollar dearer. It has caused increase in cost of the items resulting loss in running the Indian Airlines. The Government is responsible for it. Today you are levelling allegations against the air employees and holding them responsible for deterioration in air services.

[*English*]

MR. CHAIRMAN: Mr. Fernandes, you must conclude now.

SHRI GEORGE FERNANDES: I will take only two minutes.

[*Translation*]

I would like to ask the hon. Minister as to how long the indecent acts like wearing the fashion show clothes and incidents of removing clothes, etc, in the aeroplanes will go on in private Airlines These are not good tactics...

(*Interruptions*)

[*English*]

This is being done.

SHRI HARIN PATHAK
(Ahmedabad): This is being done in East-West Airlines.

[Translation]

SHRI GEORGE FERNANDES: The Government should end all these indecent tactics. The area where air services are not being operated presently should be introduced as I have to often visit Patna. Flight schedule at Patna airport is very irregular...*(Interruptions)*...Now new air taxis are being introduced in air service. It will not facilitate Patna. There is Bodhgaya in Patna. It should be linked with air service. Barring Indian Airlines there are no other companies which are ready to operate air services from there. The people who usually, visit Kathmandu have been making a demand for a long time for introducing air services. The Government is not operating any service there. Who will operate and who will do the job ?

My colleague, Shri Shahabuddin has pointed out towards North-Bihar. There are four and a half crore people residing North-Bihar. But there is not even a single air service flight being operated there. There is no mention about it. Who will do this job. Therefore, I would like to request that the endeavour being made to sell the country in the hands of foreigners through enacting all such legislations is nothing but an attempt to enrich some people by selling these institutions which are set up after putting hard labour, in negligible amount...*(Interruptions)*...

[English]

MR. CHAIRMAN: Mr. Fernandes, you must conclude now.

SHRI GEORGE FERNANDES: I am reading only one sentence from the Constitution.

"Fundamental Duties: (b) to cherish and follow the noble ideals which inspired our national struggle for freedom".

[Translation]

When the fundamental duties were enshrined in the Constitution we were put behind the bars. We should not forget these duties. Whatever the Government is going to do and is doing at present will prove an attempt to erode the objects and values earmarked during the freedom struggle of the country. But Pt. Jawaharlal Nehru had tried to restore these values despite his having many differences with us. Do not erode these objects and values from the country. With these words I oppose this legislation and motion as well.

[English]

MR. CHAIRMAN: Shri Shivaji Patnaik.

SHRI A CHARLES (Trivandrum): Madam, with due respect to the hon. Member... *(Interruptions)*

MR. CHAIRMAN: Kindly cooperate with the Chair. I have taken this responsibility of sitting in the Chair on one condition that nobody will go on disturbing the Members. You belong to the ruling party and at least, you should cooperate with me. I have already called upon Shri Patnaik to speak.

SHRI SIVAJI PATNAIK
(Bhubaneswar): Madam Chairman, I rise to oppose this Bill. In fact, in the Standing

Committee, I opposed this Bill and I gave a Note of Dissent also. At the time of introduction of Bill—Air Corporations (Transfer of Undertakings and Repeal) Bill—I opposed it. I do not have any words to condemn this Ordinance. It only exposes the Government's intention to bring about a feeling of *fait accompli*. Otherwise, there is no urgency excepting imposing the wishes of the Executive in such a blatant manner.

This is in keeping with the new economic policy dictated by the International Monetary Fund and the World Bank. I do not have the language to condemn this Ordinance; it exposes only the Government's intention to bring a sense of *fait accompli* before the Parliament. It seeks to dismember the public sector, subvert the self-reliant economy and will also jeopardise country's safety and defence.

The existing Air Corporation Act of 1953 which is sought to be replaced now enacted because of the then prevailing complete chaos and serious situation created by the nine private airlines. The 1953 Act gave birth to two corporations—Air India and Indian Airline—as per the wishes of the Parliament.

This enactment was made with the object of "Providing for the establishment of Air Corporations to facilitate the acquisition by the Air Corporation, the undertakings belonging to certain existing Air Corporations and generally to make further and better provisions for the operation of air transport services." I think this objective has been achieved to a great extent and that too in spite of the mismanagement and the wrong decisions. In 1953 the situation had changed. In comparison to 1953, in spite of mismanagement, I think the achievements are there. Air India has made a profit of Rs. 333

crores in one year only that is in 1992-93. It is just giving a bad name and hanging because all these years you have praised the performance; now you want to do away with it. Instead of dismembering the public sector, the situation can be improved further. The purpose for which it was created has been, I think, served to a great extent.

Now, what are the reasons advanced for this repeal and for this new Bill? One of the reasons is to encourage competition and to mobilize resources for modernization, to attract money. But even in the 1953 Act also there is a provision for it, to borrow money with the permission of the Government. But, inspite of that, they want to repeal the 1953 Act totally and hand over the Airlines to the private parties.

The 1953 Act has a unique feature, that it gives autonomy while in the strict control and scrutiny of the Government and the Parliament as well as various other constitutional agencies. All these years, the Reports of the Ministry of Civil Aviation have praised the performance of these two Corporations; until two years back they were praising them; but now they are saying that everything is bad., To give a bad name and hang, their intention is something else. They are dancing to the tune of the World Bank and the IMF.

These two Corporations—Air India and Indian Airlines—have contributed to the exchequer of the Central Government and the State Government by way of taxes, customs duty, etc. in addition to the profit and foreign exchange they have earned so far.

Now these companies have developed as huge sophisticated concerns.

[Shri Sivaji Patnaik]

This is in spite of the mismanagement, wrong decisions etc. This has been the fact, It has already been discussed earlier that the purpose of this was that, through the Government of India, these corporations will get help from outside. But already there is a crisis in America, there is recession there and they will help us only on one condition and that is at the cost of our country's interest. In order to sell out their outdated aircraft they will not give us any modern or up-to-date things and that too at a heavy price and also at the cost of our sovereignty. Some such things may come up which will endanger our country's defence and security.

Even before bringing any Act in the Parliament, the Government started in a way by introducing private air taxis. The privatisation has already been started. What is the result? It has affected the Indian Airlines, Air India; it has affected our passengers; It has affected our revenue. There was an exodus of pilots from Indian Airlines.

In fact, last year's pilots' strike was instigated by these private airlines. One of the private airlines' office was the office of council of action for the strike. That also the Government knows. Some of them are smugglers and some of them have collaborated with multi-nationals like Lufthansa. They defaulted the national exchequer by not paying taxes; by giving false bills and other charges.

Let me tell you about three private airlines who have defrauded the nation. One is the East West Airlines which has failed to pay Rs. 14 crores as customs duty on its imports. City links are yet to pay Rs. 60 lakhs as inland travel tax. Similarly the continental Airways also has

to pay Rs. 36 lakhs as taxes. This is how they have defrauded the exchequer.

Now what will happen after these mega airlines become operative in India? In fact Lufthansa has collaborated with the Modis. The Modis have closed down their other factories and retrenched their workers. Now they have entered into this line with the help of Lufthansa. Naturally when Lufthansa is there, our airlines cannot compete with it. So its net result will be that the mega airlines will dominate the Indian sky. It has already been said by other hon. Members that at times of need like Gulf crisis, etc. as Indian Airlines served the country, these private airlines will not render that help. For defence purposes also they will not come to the rescue because they will have their own interest.

Coming to privatisation, I would like to ask those who are enamoured of privatisation, what happened in U.S.A and Japan. They themselves are in a crisis. They have also seen that. So, we will get neither the latest technology, nor modern instruments or gadgets; we will only get outmoded things.

Private companies are interested in their own capital. Already there is a provision to finance them by loans and other things. Shri Ghulam Nabi Azad is only disbanding his own Ministry, disbanding his property and his own authority. He is disbanding the national assets.
(*Interruptions*)

It will only bring in private control. The answer to this problem is to curb mismanagement, to have competition to rectify things. The answer to the problem also lies in participation of workers in management and at every stage there should be scrutiny. The answer to the

problem is not in substitution of executives on to disband things. In America and Japan also the private companies elbowed out others the smaller ones. These two Corporations will also be dominated by the Mega companies that too with their outdated aircraft. That will be a dangerous state of affairs.

So, I would only plead for the withdrawal of this Bill and the Ordinance in the interests of the nation, in the interests of the people and in the interests of the airlines workers. They have done lot of sacrifices and they have built up the companies. They are opposed to this Bill. So, the entire thing will go.

I oppose this Bill and I urge upon other Members also to oppose this with all their might.

SHRI LOKANATH CHOUDHURY (Jagatsinghpur): Madam Chairperson, I oppose both the Ordinance and the Bill. Many Members have already said many things and I do not want to repeat them.

I only want to draw the attention of the Minister to the fact that in the Standing Committee except three Members, all were unanimous to pass the Bill as it was. He may reply to that. Even at that time itself the private airlines were already operating. From 1989 the skies were open for them. So, what was the special reason for which the Ordinance was issued? I am unable to understand it. It only speaks that the reality was working in one way and by bringing in the Ordinance the hon. Minister has exposed himself to public suspicion.

My second point is, it is mentioned that the Minister has committed contempt of Parliament, if the Minister has commit-

ted contempt of Parliament, what shall we say about those who without amending the Act allowed the Indian skies to be used by foreigners?

17.00 hrs.

So, how will you have two standards? I think, this is a thing which should be gone to the root. Others have told that they have not gone for the budgetary support. They have brought glory to India. They have done everything. There is no opposition to that. But the question is, why is the Government going for this position? I am unable to understand this. I want to know whether there is any consideration in this.

It has been said that the worldwide scenario no doubt had changed and will have to adapt to it, here, in this field, I want to know whether there is a necessity for adapting to this line. I can understand where we are. This came into being in 1953. This was the vision of Pandit Nehru. We had our public sector. Our public sector has immensely contributed. We had nine lakh tonnes of petrol and now we have 34 million tonnes of petrol. We had one million tonnes of steel and now we have 17 million tonnes of steel. So, the public sector was the basis of Indian progress. Whenever any Government, whether it is from this side or that side, perceives the future with the present international context, they will have to consider the past. If the link with the past goes, the thinking loses its root and that tree dies. That is what is in question today. It is a question of the basic values that we have imbibed through our freedom movement.

I want to ask the Minister one thing. You want that there should be tapping of resources and you want more resources.

[Shri Lokianath Choudhury]

You want the private sector to play a role. In the Standing Committee. I had said that if there is resource crunch, let the areas, where we have not explored be given to the private sector. Let the private sector explore them. Let them not benefit from the infrastructure which we had built. Let us have a mechanism by which the infrastructure built by the nation cannot be utilised by outsiders. I will not be wrong to say that there are many private taxis and the people connected with them who want to destabilise our country. Can the Minister deny it? There are forces which want to destabilise our country. They are financing the taxis. Have the Government taken this aspect into consideration? Have we considered our national safety while considering this? Who will give you resources? You have made two limited companies having a bureaucratic control. You have allowed the private parties to have schedule flights. So, if resources will come, it will come to them and not to you. And therefore, you are taking a step whereby these two airlines will die its natural death. You are hanging on it. Moreover, the way you have brought this Ordinance has proved that you are very very anxious to finish it off. Much has been said that it is in the national interest.

In the interest of our country, in the interest of our cause and in the interest of our heritage, I oppose this Bill.

We are looking to the international world. What is happening in the international scenario? I want the Government to make a study of it. Regional forces are coming, new forces are emerging in the national horizon. You are forgetting it and you are nourishing it. Without looking at them and considering its impact, you have volunteered to take the burden of reces-

sion of those G7 countries. We are not opposed to foreign or private capital in the areas where we have no progress. Let it come in areas where it will stimulate our economy. Let us not allow it in the areas where we have already achieved something and some efficiency. That means surrendering of the national rights and national honour to the imperialists. This is the outcome of the Policy. This is the direction in which this Government is going without taking the national interest into consideration. I think, individually the hon. Minister is not responsible. This is the outcome of the policy that the Government is pursuing.

With these words I oppose the Bill and I also oppose the Ordinance.

SHRI CHITTA BASU (Barasat):
Madam, Chairperson, I rise to oppose the Ordinance and also the Bill.

The stated objective of the Bill appears to be that there is a need in the changed context in the economy our country and also of the world that there should be introduction of certain element of competitiveness. In order to improve the efficiency of the public sector undertakings, this appears to be the innocent objective of the Bill as stated. I want to tell one thing that it is not merely that objective. Had it been the only objective, I would not have been opposed to it so much emphatically? It is an integral part of the anti-people Industrial Policy and overall Economic Policy of the Government which was introduced in July, 1991.

(*Interruptions*)

Do not take it so lightly. If your Party is committed to oppose this Industrial Policy and Economic Policy of the Government introduced in 1981, every Mem-

ber should also understand that Policy is also hidden in this small innocent Bill. We should be true to our countrymen; we should be true to our own political understanding and we should be true to our own political ideology we subscribe to.

Madam, the main object of this Bill is, in the final analysis, to privatise the two national carriers of our country which are earning profit, which are not dependent upon budgetary support and which have introduced a new chapter in our national economy. My first objection to this Bill is that it is an utter launch of the private sector on the public sector of our country. It is the beginning of the end of the public sector industry or units in our country. Today, if I allow this Bill to be passed, the next time I will have to allow the IISCO to be handed over to a private company. If I allow this Bill to be passed, I will have to allow the ONGC to be sold to any foreign agency or indigenous capitalists. Already, certain companies in our country are very much interested to invest in the ONGC which is also a profit earning public sector undertaking of our country which has contributed considerably for the attainment of self-sufficiency of our economy. Having this in view, there is no question of supporting this Bill even by mistake. Even I refused to be disillusioned and I refuse to be led astray. I think the Members of this House should not allow themselves to be misled. If this Bill is passed, this will wreck havoc with the Indian aviation industry which has been built up by the efforts of our working class, by our engineers, by our technicians and by our entrepreneurial skills. Therefore, for the last 46 years, this has created a new chapter in our industrial development and in our economy. We cannot allow that not only to be diluted but also to get it completely destroyed. This is the first attempt in the direction of the dilution, as I

have said earlier, of the economic policy which has been founded by earlier policy decisions by Pandit Jawaharlal Nehru and others.

Madam, Indian sky has already been thrown open and this will invite some external danger also. It will create many hazards in the field of our indigenous defence. It will open the sky for the entry of the multi-national companies, particularly from the western countries. As has already been mentioned, the aviation industry in Japan, U.S.A. and in other western countries in its deep recession and they will be naturally inclined to get into the Indian market where they find enough potentialities for further expansion. The entry of foreign airlines through joint management as stated and by joint investment would not ensure the transfer of latest technology in the field. It will not allow or it will not ensure the transfer of the most modern equipments in the aviation sector.

It will not make possible for bringing latest aircraft in our country. On the contrary, the management of the two Airlines, two national carriers—Indian Airlines and Air India— will be dominated by proxy, will be dominated by foreign MNCs, through dubious manipulations of the frontal agencies which are not there to protect our interest but which are there to work at the behest of their mentors at the Western world. There lies the danger.

So far as air taxi are concerned, naturally they will try only to utilise the profitable routes. Only the profitable routes are being utilised by these private companies. What about the inaccessible areas as has been mentioned by the hon. Member from Assam? Tripura, for example is an inaccessible area where air route is the only route even for the common

[Shri Chitta Basu]

citizens. Why will private companies go to Andaman and Nicobar Islands and Lakshadweep? It will not earn them enough profit. But this route can be filled by social obligations. Now these areas will suffer. Naturally, private companies are not expected to abide by the social obligations. Do you mean to say that there is no social obligation and only the desire of earning profit should guide our national economy? If that is the aim of the Government, I pity the Government.

So far as the workers and employees are concerned, they have genuine grievances. I would like them to be assured whether there would be mass redundancies for Indian Airlines and Air India. There is apprehension that there would be wage freeze after some time, once it is converted into a company. There will be cut in the welfare measures for the workers. There is apprehension that there will be restrictions on trade union rights. Even this Bill provides for restrictions of trade union rights. I draw your attention to sub-clause (3) of clause 8 of this Bill wherein it is stated:

"Notwithstanding anything contained in the Industrial Disputes Act, 1947 or in any other law for the time being in force, the transfer of the services of any officer or other employee of a corporation to a company shall not entitle such officer or other employee to any compensation under this Act or under any other law for the time being in force."

That means, by this Bill, the Industrial Disputes Act, which has been passed by this House, which is now, in force, is

going to be circumvented by the provision of this Bill.

17.20 hrs.

[MR. DEPUTY-SPEAKER *in the chair.*]

There is apprehension that the private companies will create no new market. That means, there is a chance of further deterioration of the standard of living of the workers of these companies.

I want to draw your attention to a fundamental question relating to parliamentary democracy. So far as the public sector undertakings are concerned, they are directly accountable to Parliament. The reports of the public sector undertakings are discussed and can be discussed here. Public sector companies are accountable to Parliament, of course, subject to the functional autonomy.

I would like to be clarified what will happen if this Corporation is converted into company. It will certainly not be directly accountable to Parliament. What would be its functional autonomy? Would it be as is practised at the present time? This is the fundamental question.

MR. DEPUTY SPEAKER: It has to close at 4 o'clock.

SHRI CHITTA BASU: You were not there. Now you have appeared to cut the discussion.

MR. DEPUTY SPEAKER: We are expected to close at 4 o'clock.

SHRI CHITTA BASU: You can reverse it.

MR. DEPUTY SPEAKER: At least you can cooperate.

SHRI CHITTA BASU: If you lose patience, I have got nothing to do.

MR. DEPUTY SPEAKER: I have got abundance of patience.

SHRI CHITTA BASU: I cannot refrain from doing my duty. In deference to your wish, I want to conclude by drawing the attention of the Government to a particular issue, Calcutta Airport. It has been resolved by the West Bengal Assembly that Calcutta Airport should be renamed after Netaji Subhash Chandra Bose. It has been referred to the Government of India. I think the Hon. Minister knows about it. He also agreed to rename Calcutta Airport after Netaji Subhash Chandra Bose. This is what you say. You agree to it. Hon. Minister knows it. He also agrees with it. He also agreed to rename Calcutta Airport after Netaji Subhash Chandra Bose. This is what you say that you agree to it.

THE MINISTER OF CIVIL AVIATION AND TOURISM (SHRI GHULAM NABI AZAD): I have never talked to him.

SHRI NIRMAL KANTI CHATTERJEE: Your predecessors have agreed.

SHRI CHITTA BASU: Recently some student organisation led a demonstration and wanted to meet the Airport Authority just to know what is the result of the provisions made by the Government of India in order to change the name of Calcutta Airport after Netaji Subhash Chandra Bose. They were not heard. They were not even given the chance of presenting their cases to the Airport Authority of Calcutta. They have been beaten,

even driven out and some of them have been put in jail. I would earnestly make an appeal to the Government that it does not involve any expenditure. It does not involve any technology import. It does not involve any policy decision. If you are going to change the entire framework of the economic policy of the country, you have got to pay your tribute to the great hero Subhash Chandra Bose by renaming the Calcutta Airport. I think it is a shame on our part. I think West Bengal Legislative Assembly's resolve should be respected and it was an All Party Resolution. No-body objected to it.

With these words, I oppose the Ordinance and also oppose the Bill with all the force at my command. Do not proceed in this disastrous path.

SHRI NIRMAL KANTI CHATTERJEE: I am not at all surprised either by the ordinance of the Bill. Together this is one more example of the cynical approach of the Government towards Parliament and to the people of our country. Let me illustrate from the Bill itself.

In the statement of Objects and Reasons it is stated at para 2(b):

"Undertakings of corporations to vest in two proposed companies..."

They do not have the courtesy to indicate to us about this. This was in 1992. They have not changed it, no revised statement of policy has been given to us. In the Bill it is stated that it will be transferred to these two companies—Indian Airlines Limited and the Air India Limited. I presume both of these are already established.

SHRI GHULAM NABI AZAD: I would like to make it clear that the then Minister of Civil Aviation, when this particular Bill was printed it was printed on 27th of April 1992— at that point in time, this was not registered. This company was registered on the 1st of May and the 4th of May. Then the hon. Minister of Civil Aviation had made this announcement on the floor of the House.

SHRI NIRMAL KANTI CHATTERJEE: I think, he should have initially explained the situation so that the Statement of Objects and Reasons also could have been amended.

The second point is, in clause 8, sub-clause(2) it says:

"Where an officer or other employee of a corporation opts under sub-section (1) not to be in the employment or service of the company in which the undertaking of that corporation has vested, such officer or other employee shall be deemed to have resigned."

Can any Government which has any respect for its employees give such an offer—join or resign—this kind of an alternative? I was in the corporation. It was a semi-Government organisation and suppose now you want to send me away to some organisation which is a limited company whose character I do not even know. Even the Bill does not give that kind of an offer—either you join or resign. What else is cynicism? This is how the approach of the Ordinance coincides with the approach of the Bill. the Ordinance says, as has been remarked already, that there is an urgency. I am prepared to believe this statement. And I want to add that the urgency is not mentionable. That is why, it has not been mentioned. The

urgency comes from somewhere else. The urgency comes from the nearness of the presentation of the Budget and the consultation that are going on with our foreign masters or lenders. That is why, there is an urgency and that cannot be mentioned. This kind of thing we are having inside the Parliament.

I will not go into the facts. I can only supplement it. This is a very small story. Air India floated bonds and collected Rs. 400 crores in order to buy aircrafts. The aircrafts were purchased by foreign funds. This Rs. 400 crores was surplus. At one stage, a part of it, both from Air India and the Indian Airlines was offered to Vayudoot. Then the story followed. Vayudoot did not need it. It speculated and handed over to the biggest bull of our country. This is how the crunch stated to be obtaining in the services, is evident. And we are told to accept this kind of a thing. Shri George has very correctly pointed out: Was it ever dependent on Government funds? It was never. Then why do you adduce that argument that in order not to sustain them from Government funds, they should be merged into this private limited company?

It is very astonishing. I do not know where from Shri George makes the assumption that 51 per cent shares of the company will be with Government. In the Bill nothing was stated and what was stated was that the assets and liabilities of the two corporations are being transferred to two limited companies. God knows, if there is a God, what shape that company has taken already. He has to explain as to what kind of company it is. This is one more indication of the kind of cynical treatment given to this Parliament and to the People of India. He does not elaborate on the quality of these companies, on the structure of these

companies or what shape they are going to adopt or they have already adopted.

Sir, I will not repeat much of what has been said already. But I will get into some arguments. It has been stated apparently, very validly, and my very respected colleague, Shri Chavan has also pointed out, that this is not because of any crunch or anything like that, and that it is in terms of efficiency which is not a tribute of monopoly and, therefore, they are introducing competition through repealing. They argue, as in the case of other public sector companies, that the criticism from the owners of shares of those companies will trouble the Directors and add to the efficiency of the company. We have heard these arguments.

The first point that I want to handle is about monopoly. As he certainly knows, but he does not want to tell the House and perhaps he was not permitted to tell it to the House, there are situations when monopolies are unavoidable. If you do not agree to that position, tomorrow you will say that since there is a monopoly of policing the country in the hands of the Government, therefore, it is corrupt and hence private agencies should be there to maintain law and order in the country. They will go to that extent. You can carry the logic to this absurdity by arguing against the monopoly, that there is only one Government. Of course, to our misfortune, we know that there was, more or less, one ruling party monopolising the power in the country since independence and, therefore, it has bred corruption. We know that. But can that be an argument? There are situations when a monopoly is a necessity for the sake of the polity and the country. Who does not know the ways of competition? The National Planning Committee made a reference to this. Shri K.T. Shah is a person who is venerated

and he said on a debate on nationalisation and privatisation that there are charges of corruption in the public sector, precisely because it is the private sector which corrupts it. There are famous utterances, there are famous writings and there are notes in the Congress Planning Committee Resolutions. Are we to forget all that? Even purely on a logical plane, when you compete with the private sector, as he has pointed out, winning and not merely dining is there also something beyond. There are certain methods available to the private sector which are not available to the public sector unless it is a question of importing either in defence sector or in the railway sector. The private sector is there to corrupt. When you talk of competition what do you want really?

You want to open yourself to be more corrupted as a Government. That is what you are seeking to do while you say that you want to privatise. There are two privatisations here, not one. One is privatisation of the sky over India. The other is the privatisation of these two corporations — Air India and Indian Airlines. It looks so innocuous. Only two companies are being formed and everything is being transferred. There is no mention at all that the sky is being privatised. There is no indication that this is one of the real motives for this repealing. The Bill is not presented. There is only an amendment by repealing. What does the Bill contain? We do not tell the people about it. That Bill — as has also mentioned — says that the monopoly of the sky over our country remains in the hands of the Government and to nobody else.

Therefore, what we are objecting to is, we do believe that here is a case where there should be monopolies. Monopolies have their difficulties.

[Shri Nirmal Kanti Chatterjee]

Certainly, we are not away from that reality. For that, something else must be done exactly. As we try to control the Government from this legislature and in other ways, similarly, one has to seek ways of controlling the deficiencies that are associated with the monopoly.

One such suggestion, of course, was employees' participation in management. There could be other ways. We can all sit together and find out how to get away from the deficiencies of the monopoly provided we all agree that here is an area where monopoly is inescapable. It is not competition which answers the problems but it generates more problems that you are prepared to face.

It has been mentioned that since the companies are undefined, if a company's shares will be there, they will be floated. They will be there in the share market. What is it that today's share markets tell us? Foreign financial institutions are buying the shares of our sensitive companies. What will prevent them from buying it up? They will have a stranglehold over these companies. Even if it is and argument for 51 per cent, that argument can be easily reversed. By saying that if 49 per cent of shares are such that they make the company more efficient, as has been argued in the case of banks and other public sector companies, that can be easily reversed. Let them have 51 per cent. And let the Government have 49 per cent. Forty-nine per cent persons will make the company efficient and socially worthy. It is just a reversal of the argument.

This, as he has mentioned, is what you have done in the case of Maruti. Your

presence is not a majority one. But that you are present will influence the policies of that company. Therefore, even on that argument, the country should be worried that this is one more step that is being taken. For what? For destroying the monopoly of India's sovereignty. What did we achieve in 1947? We became a monopoly throwing out the foreign usurpers. Once again, you want to take away that monopoly of governing in the country — may be open to competition. Multinationals now belong to many countries as was the fate of China before 1991.

MR. DEPUTY SPEAKER: You have taken 15 minutes. Mr. Nirmal Kanti Chatterjee, we have to stick to the timings.

SHRI NIRMAL KANTI CHATTERJEE: I just wanted to mention the trapping of foreign capital. As we know, as Mr. Jaswant Singh knows, and as Mr. George Fernandes certainly remembers, we have indicted the foreign banks in a particular manner.

It is said that though they operate on a small segment, they are more profitable. Why? They are profitable because they are not forced to function in a way which satisfies the social objectives of nationalisation of the banks. They operate in a narrow area and therefore firstly, they make profits which the public sector banks cannot afford to make and secondly they can indulge in practices which lead to all those scandals that the JPC was asked to unearth.

By opening the skies, in fact, what you want to do is to make the companies called the Air India Company and the Indian Airlines Company lose money in proportion to the profits of the private air-

lines. I say this because the subsidy required for going to Tripura, subsidy required to go to the North East, subsidy required to go to Andaman and Nicobar Islands, Subsidy required to go to Ladakh and subsidy required to go to Lakshadweep will be made available from the Indian Airlines and not from the private airlines. The moment you open your skies, there is only one possibility for these companies. That is, the loss making routes will be with these two companies and the profit making ones will be left to the companies, exactly as has happened with the foreign banks in our country. Therefore, from this angle also, if the Government is capable of drawing any lessons, we want it to learn from these experiences and truthfully admit these things before the people.

MR. DEPUTY SPEAKER: Please conclude. One more person has to speak. I have already called his name. But he was not present at that time. You see, no one has spoken from Telugu Desam. Already, time is over.

SHRI NIRMAL KANTI CHATTERJEE: I am aware of the time constraint. I will certainly abide by your wishes to my competence. As you know, we all praise our pilots. But let us also remind that one of the most extensively used aircraft in the whole of the world belong to the Indian Airlines. So much so, that it generates a problem of safety, forget about the monetary terms. Aircraft which should have been added to the fleet and expressed as surplus, nevertheless add to efficiency and profitability. This may be seen as a curious argument. But please accept this argument of the economists who are concerned with air traffic.

I am afraid, the next thing that will follow is a reference of the two companies

to the BIFR. They will declare these companies to be sick and refer them to the BIFR and ask for tenders from all over the world to purchase them. This is the other prospect that they have to face! They have to tell the people truthfully that this is the perspective which is at the back of their mind.

I will just mention two other things and conclude. I will not take more of your time. First of all, they have promised to retain the assets and liabilities. I refer to the promise given to some 28 employees of the Bangladesh Viman of Calcutta. Those employees were offered employment. The job of the Bangladesh Viman was taken over by Air India.

In the process of returning, I will not go into the details, what happened was these 28 persons were thrown away from jobs. They are now no longer 28. They are now numbering only 23. Unemployment has already claimed 5 persons. This is the kind of Government we have. This is the kind of Government which gives promises and which always tries to see how promises are not be kept, as in the case of Maruti and so in the case of Bangladesh employees.

I would now like to draw your attention to another fact. My constituency comprises Calcutta Airport. In that airport a new terminal building is being built. This new terminal building will have a restaurant to serve the airline people. It is the ITDC which serves them now at the old terminal. The ITDC employees, before they became ITDC employees, were absorbed from the Airport Authority of India which was running the airline at Calcutta. These employees were absorbed by ITDC on the condition that ITDC will have a monopoly, let me repeat that, and today would it surprise you to

[Shri Nirmal Kanti Chatterjee]

know that in the new terminal that is being built this restaurant is being offered to a private sector company, may be to Indian multinational — Oberois — and ITDC would be losing business. People who joined ITDC on the basis of those kind of a guarantee are now threatened with unemployment. This is what their promises are.

Let me conclude by saying that there is only one hope that in the next round, perhaps they will not be there to break the promises. People perhaps will pardon them by removing them and the new Government will see to it that the promises are kept.

[*Translation*]

SHRI RAM VILAS PASWAN (Rosera): Mr. Deputy Speaker, Sir, there is a time for Iftar after 6 p.m. Therefore, it would be difficult for the hon. Minister to sit late after 6 p.m. I would like to know whether the Government likes to give reply today or tomorrow.

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): Mr. Deputy Speaker, Sir, we have taken double the time than the time allotted for this Bill. Today we could not complete even the first item of the agenda. Therefore, it is my request that the hon. Minister should reply to it today itself and the Bill may be passed.

SHRI RAM VILAS PASWAN: We have no objection. But the people who are on 'Roza' will face difficulty.

SHRI NITISH KUMAR (Barh): How will the hon. Minister break the 'Roza'? He might have also observed 'Roza'.

SHRI MUKUL WASNIK: The hon. Minister is in the habit of observing 'Roza' even during 365 days. Therefore he will not face any difficulty?

[*English*]

SHRI BOLLA BULLI RAMAIAH (Eluru): Mr. Deputy Speaker, Sir, this Bill seeks to provide for the Undertaking of Corporation to vest in two proposed companies, namely, Air India Limited. I would request the Ministry to take up the challenge and see what they are going to achieve. I feel that it will open new avenues of services, new development and new competition. I would like to say that the strength of the pilots which is now depleting should be increased. You should conduct a separate training programme so as to have enough number of pilots in Air India and Indian Airlines, this will help in covering wider areas, including specific areas which are not covered now.

They also have to provide international services for exporting our agricultural commodities and various other things. These agricultural commodities are generally required by the Gulf countries. If reasonable services are provided, they can help these countries.

Now, I will come to Vayudoot. Are you going to liquidate Vayudoot or are you going to merge it with the Indian Airlines? Nothing has been done in this regards so far. In Andhra Pradesh viz. from Vijayawada to Rajahmundry, there used to be regular service, but, now it has been completely dislocated. They only operate on some days, that too their services are

very irregular. They have changed the timing. They cancel the routes as and when they want and still they say that the routes are not economical. Unless you have a definite policy, unless you try to see that they are regularly operated and unless you try to see that some feeder service is operated, the losses will increase.

Another point which I want to mention is about the services to the coastal districts of Andhra Pradesh. The flight which the Indian Airlines is operating at 6.30 a.m. should be operated at 7.30 p.m. while the return flight should be operated at 4.45 instead of 4 o' clock. People are facing a lot of difficulty because of irregular operations and delays in operations. Unless you improve your maintenance and also your ability to compete with other airlines, the main purpose of forming private companies will be defeated. I also feel that for developing assets and also for increasing facilities, all efforts must be made. The staff should be given facilities. You must also give tax reliefs and other facilities.

Today, they are saying that the budgetary support is not being given. In order to compete with other international airlines, the timings and other services should be improved. Otherwise, the very purpose of making these airlines as private companies will be defeated.

I thank you once again for giving me this opportunity to speak.

MR. DEPUTY-SPEAKER: Mr, Thomas. One minute please.

SHRI P. C. THOMAS (Muvattupuzha): Sir, I shall limit my speech to only one minute.

In fact, I would say that a comprehensive policy regarding aviation should have come much before. I would not oppose this Bill but I would just point out the restrictions which are stated in Section 9. Section 9 says and I quote:

"The Central Government may give to a company directions as to the exercise and performance by that company of its functions, and that company shall be bound to give effect to any such directions."

This is the Clause which enable the Government to have some control over these companies and the apprehensions which have been expressed, to some extent may not have any basis. But I do doubt whether there will be constitutional or any other impediment from the side of Company Law or any other law.

Regarding other aspects, I am not going into it because of paucity of time. I would just suggest that the airlines is a field where we have to lay more stress. Because this is a field where tourism, which is one of the important industries, can thrive in India. So, it has to be given more importance.

In this respect, I would like to draw the attention of the hon. Minister to Kerala. Kerala is a place where is some potential as far as tourism is concerned. You must operate more airlines. You must give proper facilities in the Airports. In Kerala, there are three Airports. So, proper facilities must be provided in all the Airports. This is what I want stress just now.

Now, I am concluding because of paucity of time. I am thankful to you for giving me one minute to speak which I have not exceeded.

SHRI GHULAM NABI AZAD: Mr. Deputy Speaker, Sir, I have listened to the hon. Members with close attention and deep respect. Let me thank them for their valuable observations.

I must, at the outset, refer to the charge that promulgation of the Ordinance while the Bill is under consideration of the House is unparliamentary and unprecedented. And also I think Mr. George Fernandes has added some more superlatives to this.

SHRI GEORGE FERNANDES: I only narrated Pandit Jawaharlal Nehru and Prof. Mavalankar — not mine. If you want to call them as superlatives, I have no quarrel.

SHRI GHULAM NABI AZAD: I just mentioned it; I did not question it. It is neither. Having said this, I owe it to this august House to give a detailed explanation of the circumstances in which Government found it necessary to take resort to the Ordinance.

As hon. Members are aware, the Air Corporations (Transfer of Undertakings and Repeal) Bill was introduced in the Lok Sabha a long time ago; on 4.5.1992. Owing to pressure of business the House could not take up consideration of the Bill in the remaining part of the Budget Session of 1992.

SHRI SAIFUDDIN CHOUDHURY (Katwa): It was introduced owing to pressure...

SHRI GHULAM NABI AZAD: It was because of the *dhama* you did not allow the House to work. Do not allow me to go into the past. I was also the Minister of Parliamentary Affairs. I have the records

also on how many days each political party did not allow the House to work. So, please, do not get into that.

Since then, my predecessor Shri Madhav Rao Scindia who introduced the Bill and I myself have repeatedly been requesting consideration of the Bill at each successive session.

The House was, however, preoccupied on one count or another. Matters relating to Ayodhya, debates on Mandal Commission, discussions on law and order, particularly in the aftermath of the unfortunate bomb blast incidents in Bombay, took much time of the House. On 6th August, 1993, the hon. Speaker was good enough to refer the Bill to the Standing Committee on Transport and Tourism for examination.

The committee, after detailed examination, recommended to the Parliament in December, 1993 that the Bill be passed. Thereafter, this august House took up the Bill on 23rd December, 1993 for consideration, but could not devote adequate time to debate the Bill and pass it in that Session.

The primary purpose of the Bill is to remove monopoly of the Air Corporations over scheduled air services and restructure the two Corporations into public limited companies to function in a competitive environment. Care has been taken to ensure that, in the process of restructuring, no dislocation takes place nor the interests of anyone, whether employees, creditors, customers or Government, are affected adversely. Requisite safeguards have been built into the Bill.

Hon. Members know that in late 1992 and early 1993, there were pro-

longed strikes by pilots of Indian Airlines and flight Engineers of Air India. Air services were severely affected. This, together with the unfortunate incidents of Ayodhya and bomb blasts of Bombay, caused grievous setback to the flow of tourists into India. Credibility of India as a tourist destination suffered.

Faced with this daunting situation, I and my colleague, the Minister of State in the Ministry of Civil Aviation and tourism, Shrimati Sukhbans Kaur, undertook visits to a number of countries in Europe, Asia and Africa on a reassurance campaign. During my interaction with Government, leaders of public opinion, travel trade and industry of the countries that I visited, doubts were expressed on our ability to provide the tourists convenient air service within the country, apart from law and order.

Unhappy incidents of tourists being stranded in India owing to recurrent incidents of industrial unrest in the national carriers were mentioned to me repeatedly. I think this is the heart of the whole body. The adverse impact on foreign tourists as well as domestic passengers needed early remedy.

Perception of the passengers and the public was tilted against the prevailing practice.

18.00 hrs.

MR. DEPUTY SPEAKER: Is it the desire of the House that we shall extend the time?

SEVERAL HON. MEMBERS: No,
Sir

MR. DEPUTY SPEAKER: Kindly cooperate. According to the schedule we have to complete the Business.

SHRI RAM VILAS PASWAN: How much time the Minister will take?

MR. DEPUTY SPEAKER: He will complete it.

Now the time of the House is extended. Thank you very much.

(*Interruptions*)

SHRI GHULAM NABI AZAD: If you do not want to hear the reply, I am ready to go for voting straightway...
(*Interruptions*)

The enormously long time taken in the process of enactment of the Bill had also brought avoidable uncertainty over the status of the air transport industry.

Fortunately, the country has overcome the problems of unhappy incidents of law and order, Bombay Blasts and earthquake. There is also a steady increase in the arrival of foreign tourists in our country. The number of tourist arrivals in the month of December 1993 to January 1994 are all time high. In this we see a definite revival of interest in India as an important tourist destination.

We did not, therefore, wish to allow further loss of time in bringing about the much needed and long awaited reform in the air transport industry which the Bill seeks to Achieve. As Parliament was not in session the president promulgated the ordinance.

SHRI ANNA JOSHI (Pune): Why the ordinance?

SHRI GHULAM NABI AZAD: As I have said, this Bill was introduced in May 1992. Who knew that this Bill will not be passed in the Budget Session of 1992. Then subsequently we had Monsoon Session in 1992; we had Winter Session in 1992; we had Budget Session in 1993; we had monsoon in 1993; we had again Winter Session in 1993. We have already thought about it. There was some misapprehension that it might even be slipped over today also.

[*Translation*]

SHRI BHAGWAN SHANKAR RAWAT (Agra): It indicates the seriousness of the Government as to how sincere it is in getting this Bill passed.

SHRI GULAM NABI AZAD: I would like to inform you that if I do not reply to the discussion on the Bill today it will again be deferred till March as the hon. Speaker has told that the discussion on the President Address will be initiated tomorrow. Had the Ordinance not been there, there would be recess of the House for one month after the 18th March and the discussion would be deferred till April. If it were not discussed in the month of April for any reason it will be deferred further. Therefore I have said like this.

[*English*]

Misapprehension has been expressed that the assets built up by the two corporations over the years may be privatised to the detriment of our national interest. This is very important.

Actually, I am in tune with what my friends have been saying since morning. They are also almost speaking the same thing which I am going to speak just now,

So I would like them to give me a patient hearing.

SHRI NIRMAL KANTI CHATTERJEE: And arrive at a different destination.

SHRI GHULAM NABI AZAD: No, not at all. It is just a question of thinking because you are thinking something else and you are not going in to the objects of the Bill. Let me read it out. You have some confusion, that I totally agree with you.

I would like to take this opportunity to dispel this fear that neither the Bill nor the scheme of restructuring of the Air India and Indian Airlines envisages handing over the control or complete ownership of the companies to private hands. Not at all. The public limited company in which the assets of the corporation would vest are Government companies under Section 617 of the Companies Act, requiring less than 51 percent of the paid up share capital to be held by the Government. It could be even much more in the beginning but maximum could be 49 per cent.

Presently, the companies which have been incorporated are owned wholly by the Government. Our scheme does not envisage any disinvestment of the Government shares. On the other hand the principal objective is to enable the companies to mobilise additional equity funds from the capital market.

On the other hand, the principal objective is to enable companies to mobilise additional equity funds from the capital market — I will come later on to the question raised by Shri George Fernandes—through public participation — the Members have been crying from the rooftops about public participation, so

this is what I am saying — so as to meet growth requirements of the airlines.

Thus what is intended is neither privatisation nor disinvestment. Let it be very clear. But issue of fresh equity is neither disinvestment nor privatisation. This is only the issue of fresh equity to workers and employees of the companies. It is for the workers and employees of the companies. If the Members take that they are from America, I cannot dispel that doubt from their minds. But I say that the participation of the workers and employees of the companies to enlist their participation in ownership and also to other sections of the public including financial institutions.

SHRI GEORGE FERNANDES: Will this business equity be shared by registering it in the stock market?

SHRI GHULAM NABI AZAD: I will tell you later. When the time comes we will see.

SHRI GEORGE FERNANDES: Once it is listed anybody can buy them.

SHRI GHULAM NABI AZAD: Let it be very clear. We are starting it. This is an enabling provision to start with. We are going with the participation of the workers. Air transport service is required—most of you have already said, the same thing I am going to say—not only to travel and tourism but also as an important element of basic infrastructure of economy. It is, therefore, necessary that the Government retains effective control over the national carrier even after these are converted into companies.

The Government would, therefore, continue to hold not less than 51 percent of the equity in the two companies. Under the monopoly regime Indian Airlines could

operate in unremunerative sectors of the North-East, Jammu and Kashmir, etc. because of the gross subsidy that was available from the profits of the trunk routes. The burden has now to be equitably shared by all.

SHRI NIRMAL KANTI CHATTERJEE: All this is not contained in the bill.

SHRI GHULAM NABI AZAD: This is inevitable in a large country like ours with wide regional disparities. We intend prescribing a minimum service. (*Interruptions*)

SHRI NIRMAL KANTI CHATTERJEE: I Want to know why have all these things not been mentioned in the bill?

SHRI GHULAM NABI AZAD: The bill was prepared long ago.

SHRI NIRMAL KANTI CHATTERJEE: Is he not discussing this bill? He says that it was prepared long ago.

MR. DEPUTY SPEAKER: Let the hon. Minister conclude his speech. Afterwards you can seek clarifications.

SHRI SAIFUDDIN CHOUDHURY (Katwa): This is a serious question. What he is saying is that the Government will retain 51 per cent of the equity. He is saying that it is an old bill. Is he going to bring an amendment?

SHRI NIRMAL KANTI CHATTERJEE: This is not part of the Bill.

SHRI BASUDEB ACHARIA: What is the necessity of repeating what is there in the Statement of Reasons? It is already mentioned.

[Translation]

SHRI GHULAM NABI AZAD: What you are saying just now is totally different from what you were talking till now, It is quite contrary to the former.
(Interruptions)

[English]

The necessity is because we have a resources crunch; we do not have the money. (Interruptions)

[Translation]

SHRI GEORGE FERNANDES: You have talked about the financial institutions also. While foreign financial institutions will be able to buy or not?

SHRI GHULAM NABI AZAD: No Sir
(Interruptions)

SHRI GEORGE FERNANDES: Can we sell to foreign companies.
(Interruptions)

[English]

SHRI NIRMAL KANTI CHATTERJEE: How can you do it? We have pointed it out.

SHRI GHULAM NABI AZAD: I have already said it.

SHRI BASUDEB ACHARIA: How can you say. Where is the ban?

SHRI NIRMAL KANTI CHATTERJEE: We are discussing this bill.
(Interruptions)

SHRI SAIFUDDIN CHOUDHURY: Where are these things in the bill?
...(Interruptions)

SHRI GHULAM NABI AZAD: Sir, now this is going against them...
(Interruptions)

SHRI CHITTA BASU: It may constitute an assurance. But that assurance does not form part of the statute. What is the guarantee that this assurance will be implemented statutorily? ..(Interruptions)

SHRI SAIFUDDIN CHOUDHURY: What is the problem in bringing an amendment to this bill?...(Interruptions)

MR. DEPUTY SPEAKER: Let us hear the speech of the Minister. Let him complete his speech. If you have any doubt, you kindly note it down. Afterwards, you can seek clarifications from the Minister.

(Interruptions)

SHRI SRIKANTA JENA (Cuttack): Sir I am on a point of order.

MR. DEPUTY-SPEAKER: What is your point of order?

SHRI SRIKANTA JENA: Sir, the hon. Minister has said that the equity of this, company cannot be said to the foreign company. But the Finance Ministry's Circular says that any foreign company or any financial institution can participate in the stock market. So, this equity will go to the stock exchange and it will be listed in the stock exchanges. It is open for everybody. Since It is open for everybody, as per the Circular of the Finance Ministry, the foreign institutions will come and buy the equity.

So, how the Minister can say that it can not go to the foreign financial institutions? This point has to be clarified by the Minister. The Minister has given a wrong assurance and it is totally contradictory to the circular of the Finance Ministry. So how the Minister can say that it can not be sold to the foreign company?.

(*Interruptions*)

SHRI NIRMAL KANTI CHATTERJEE: The current exchange reserves, about which the Government takes pride, is to a great extent built up on the basis of foreign investments in the stock market...(*Interruptions*)

SHRI A. CHARLES (Trivandrum): There is a specific provision in this bill, which is going to be passed. It says that no other circular of any other Ministry can override the specific provisions of the Act.... (*Interruptions*)

SHRI SRIKANTA JENA: The equity of any public limited company will go to the stock exchange. It is a common sense...(*Interruptions*)

MR. DEPUTY SPEAKER: Let us hear the speech of the Minister. Let him complete his speech. If you have any doubt, you kindly note it down. Afterwards, you can seek clarifications from the Minister. Now, kindly do not interrupt him now.

SHRI NIRMAL KANTI CHATTERJEE: Let the Minister enlighten us about the two companies, which they have floated and also tell us as to what are their structures. Let him answer, Sir

(*Interruptions*)

SHRI SRIKANTA JENA: What about my point of order? I have said that

the Minister is misleading the House. The Minister has said that the company's equity will not be sold to the foreign companies. But the Circular of the Finance Ministry says that it can be. How can the Minister stop this Circular of the Finance Ministry? Sir, will the decision of the Minister override the Finance Ministry's Circular? It is totally contradictory.

(*Interruptions*)

SHRI SAIFUDDIN CHOUDHURY: It is our duty to concern when we hear that the Government is going to retain 51 per cent in the interest of the country's backward areas, where we are giving subsidy and other resources. But where is the provision in this bill for that? Where is the provision here to say that it will remove all the difficulties?

Now, if this is construed as a difficulty that foreign or other private sector is not coming because 49 per cent is given to them, then it should be increased to 51 per cent. They may remove the difficulty. Then, what will be the role of this Parliament?

(*Interruptions*)

MR. DEPUTY SPEAKER: Let us hear the hon. Minister. After the hon. Minister's speech is over, this can be raised.

(*Interruptions*)

[*Translation*]

SHRI NITISH KUMAR: I am on a Point of Order that two hon. Members have raised Point of Order. Either you reject them or give your ruling thereon, how the proceeding of the House can go ahead until they are disposed off?

[*Translation*]

MR. DEPUTY SPEAKER: Your ruling is reserved.

SHRI GHULAM NABI AZAD: It is a point of order on a point of order.

SHRI SAIFUDDIN CHOUDHURY: Sir, today they are having 49 per cent and we are having 51 per cent. Tomorrow it may be reserved.

MR DEPUTY SPEAKER: Let us hear the hon. Minister and afterwards you can raise your doubts.

SHRI GHULAM NABI AZAD: We intend prescribing minimum service obligations on all whereby those operating trunk routes must deploy a minimum capacity in the far flung areas as also the rest of the country.

This would be enforced by exercise of powers under the Aircraft Act 1934 and rules framed thereunder. It is also proposed to lay down minimum standards in terms of equipment to be used, maintenance facilities required, crew to be deployed and other operational parameters which need to be adhered to by scheduled air transport operators. Rigorous standards of safety and security are also intended to be enforced to ensure safe and reliable service.

Concern had been expressed on implementation of the reservation policy for scheduled castes and tribes in the re-structured air corporations. As I have stated already, Air India and Indian Airlines will remain as Government companies. The reservation policy will, therefore, continue to apply to them. There need be no cause for concern.

SHRI NITISH KUMAR: What will become of the OBC? I would like to know whether the reservation under the Mandal Commission would be applicable to them also or not.

SHRI GHULAM NABI AZAD: All those whose reservation is recognised by the Government will continue to enjoy the reservation.

SHRI NITISH KUMAR: Do you have any problem regarding Mandal Commission ?

SHRI GHULAM NABI AZAD: It is the Mandal Commission that led you to such a situation. Please do not take this name time.

[*English*]

An important point was made on the need to announce a clear cut policy on air transport. I think two hon. Members from this side have mentioned about it. The Parliamentary Standing Committee had also asked for this. Hon. Members know that Government propose to develop the air transport industry in a competitive environment.

Repeal of the Air Corporations Act, therefore, is a prerequisite. Now that the ground has been prepared, I take this opportunity to state on the floor of this august House our Air Transport Policy.

The objective of the policy is to secure operations of safe, efficient and adequate air transport service and to promote development of the air transport industry

in a competitive environment. The basic elements of the policy are:

(a) repeal of the Air Corporation Act, 1953 to extinguish monopoly of the Air Corporation over scheduled air transport service and convert the Corporation into public limited companies, (b) provide a statutory framework for orderly development of Airlines in a competitive environment, (c) guide the industry to meet the long -range requirements of the tourist travel and trade for the country as a whole and its different regions which includes north eastern Region also, (d) give such directions as may be required to secure safety of the air services and safeguard the health of the air transport industry and—the last but not the least, the most important part, I think the Leftist friends will be very happy—(e) in so far as the International services are concerned, it would be the endeavour of the state to obtain for the national carriers Air India and Indian Airlines commensurate rights of the cooperation under the prevailing international practice of bilateral agreements with different countries, while giving them rights to operate air services to India so as to cater adequately to the requirements of the tourism travel and international trade.

Now, I would like to say a word about the open sky policy which has engaged a lot of attention of the media and also of the parliament. I feel that the matter needs clarification in order to set the speculation at rest. By repealing the Air Corporation Act we are going to open the Indian sky for operation of scheduled flights by domestic airlines only, not

foreign carriers. The Government have no intention of making the sky free for all. As a matter of fact, hardly any country in the world has a totally open sky policy for scheduled international air services. Bilateral agreements between countries regulate the air services between them. We also follow the same international practice and we will continue to do so, as I have just now mentioned, as a part of the air transport policy.

Sir, I would also like to say a word about the other purpose of reform in the civil aviation industry. Some hon. Members have alleged that we wish to destroy the public sector and weaken the basic structure of the economy. Nothing can be further from the truth. Far from weakening the Air Corporation, we wish to unshackle them from the total dependence on the Government. We do not want their growth to be circumscribed by budgetary constraints of the state. We want to see them grow as public limited companies and become more effective instruments of services in a competitive environment. The record of the working of the two national carriers Indian Airlines and Air India in recent months bear testimony to our commitment. We have been able to bring back Indian Airlines from its worst crises in the wake of the strike by the pilots last year. As a matter of fact the genesis of this problem goes back to the grounding of the entire network fleet of airbus A-320s by politically motivated and economically erroneous decision of the Government in power in 1990. (Interruptions) I must congratulate George Fernandes, he was at least honest enough to accept that. The massive loss sustained by the Indian Airlines on that account alone is Rs. 292 crores as estimated by the Comptroller and Auditor General.

[Shri Ghulam Nabi Azad]

Problems are further compounded again by the same Government by removing all the restrictions on the working of air taxi without any efforts towards improving the structure and functioning of the national carrier. It has been alleged that it is the present Government which has allowed the private taxies to operate on all the routes. But let me go through the statement made by the then Minister. The hon. Members from CPI(M) were a party to that Government. On 4th April, 1990 the then Minister of Civil Aviation said on this floor of the house about air taxies:

"At present, air taxi can operate to 55 specified airports."

That means, the previous Government had specified some airports, not trunk routes, not all the airports. What the then Minister said on the floor of the House on 4th April 1990 was:

"At present, air taxies can operate 55 specified airports in the country. This limitation will be abolished. Air taxies will be permitted to operate on all the airports in the country which are open to the scheduled airports."

This is your Government policy.
(*Interruptions*)

SHRI NIRMAL KANTI CHATTERJEE: I want to know is there any distinction between air taxies and scheduled flights. Every Sunday, the telegraph paper brings scheduled flights. Are they taxies? Is this definition of taxi?

SHRI GHULAM NABI AZAD: This is what your Minister has done. I have not done it.

SHRI NIRMAL KANTI CHATTERJEE: Please distinguish between the scheduled flight and the taxi flight.

SHRI GHULAM NABI AZAD: In politics, we should be very honest. Sometimes we should be able to tolerate each other.

The second part of the statement of the then Minister says:

"That there is a ceiling of 50 seats on the capacity of the aircraft that can be operated. Now the same ceiling will be abolished."

We have not brought these jumbos. Our restriction was only up to 50 seater. This was abolished by the then Government and not by us. I am again quoting the same statement.

SHRI SRIKANTA JENA: What do you mean by scheduled flight and taxi? Now taxies are being operated as scheduled flights. You have allowed taxi service to the scheduled flights.

Whatever you have said please distinguish between taxi and scheduled flight.

Now the taxies are being converted into scheduled flights.

[*Translation*]

SHRI GHULAM NABI AZAD: It was done by you and not by us.

[*English*]

After the statement of your Minister on the floor of the House it has been done.
(*Interruptions*)

That is why, my colleague wanted to set right what you have done. But you have not allowed that. My colleague wanted to reverse what you have done.

SHRI SRIKANTA JENA: Will you please yield?

(*Interruptions*)

SHRI GHULAM NABI AZAD: I will not yield? (*Interruptions*)

MR DEPUTY SPEAKER: The hon. Minister has not yielded.

SHRI GHULAM NABI AZAD: Since the Statement was made on the floor of the House without bringing in the Bill or making an Act, my colleague just wanted to undo by bringing forward the Bill.

SHRI SRIKANTA JENA : Again I will raise a point of order.

SHRI GHULAM NABI AZAD: You may raise a point of order.

SHRI SRIKANTA JENA: I am on a point of order.

MR. DEPUTY SPEAKER: What is that point of order?

SHRI SRIKANTA JENA: I am on a point or order. The hon. Minister is trying to mislead the House. Can the definition of taxi be changed by just enhancing the seats? Suppose, the seats are 5200. By enhancing the seats, can the definition of taxi be changed? (*Interruptions*) You are changing the taxi to the scheduled flight. It is a taxi whether it is 50 seater or 100 seater. That is taxi. Now you have changed from taxi to the scheduled flight. Can you do this? That is my objection.

SHRI GHULAM NABI AZAD: Let the hon. Member quote any of my speeches any of my questions on the floor of the House.

[*Translation*]

Once I termed it as a scheduled service and other wise I have always said Air Taxi (*Interruptions*)

[*English*]

It is made on your statement.

SHRI SRIKANTA JENA: These companies are operating as scheduled flights in the lawns of the Air Force and you are saying that these operators are not using them as taxies and they are operating them as scheduled flights.

[*Translation*]

They are being operated in airports.

SHRI GHULAM NABI AZAD: We are not responsible for it. (*Interruptions*)

I cannot speak Oriya, but I can make you understand. (*Interruptions*)

It is being done according to the statement made by your Government and we have not permitted it.

SHRI RUPCHAND PAL: Why it was not changed after your Government came to power?

SHRI GHULAM NABI AZAD: Shri Scindia had introduced this Bill, which you opposed. You even violated the rules and then he wanted to set them right and you did not allow him to do that also. (*Interruptions*) This cannot be allowed.

[Shri Ghulam Nabi Azad]

[*English*]

You violated the rules and then he wanted to set them right and you did not allow him to do that also.

SHRI RUPCHAND PAL: You have been allowing them to illegally operate.

SHRI GHULAM NABI AZAD: Again I quote the statement:

"I have said there is a ceiling. At present, there is a limitation that taxies should operate two hours before or after the schedule time of the flights of the Indian Airlines and Vayudoot. These restrictions will also be abolished. Air taxi service can be operated both as a charter or non-charter basis. For the schedule, it is not necessary to take the approval for each flight separately from the DGCA."

This is the reply to your question.

SHRI SRIKANTA JENA: Please repeat.

SHRI GHULAM NABI AZAD: You are saying that these were taxies and how these taxies have become the scheduled flights. The taxies were as long as we were in the Government and as long as hon. Minister of your Government did not give this statement on the floor of the House and to be an operation, according to our rules framed by the then Government, Congress Government, they had to seek the permission from the Director-General, Civil Aviation because as long as they have to seek the permission from Director-General, Civil

Aviation for each flight, it becomes a taxi or, for that matter, charter flight. Listen to me how it has become. The Minister again says this:—

"Air taxi service can be operated both as charter or non-charter basis. The schedule of the operations of the air taxies can be filed in advance, according to our rules, and it is not necessary to take the approval for each flight separately from the DGCA".

SHRI SRIKANTA JENA: When you do not take the permission, then what will it become?

SHRI GHULAM NABI AZAD: Jenaji, I am sorry. Thank you.

MR. DEPUTY SPEAKER: All right. We can proceed with the List of Business.

[*Translation*]

SHRI NITISH KUMAR: Please tell us, whether the work done by the then hon. Minister was right or wrong.

SHRI GHULAM NABI AZAD: It was wrong. Therefore my old colleague the former hon. Minister, introduced this Bill here to set that right but you did not give us an opportunity to do so. Now when we are trying to set it right after two years, you are preventing us.

SHRI GEORGE FERNANDES: I am on a Point of Order. I have a report of the Standing Committee on Civil Aviation and Tourism. The Ministry has made two statements. I would like to quote two sentences from the paragraph 10.

[*English*]

Paragraph number 10, the Department of Civil Aviation in their note sub-

mitted to the Committee explained the need for introduction of the Bill as under:

"Under the Industrial Policy Statement of 24th July, 1991, the Government reviewed the policy of public sector investment and de-reserved the air transport sector."

[Translation]

This is taxi. I do not know what kind of taxi it is, whether it stops once or stops frequently. (Interruptions)

[English]

DR. KARTIKESWAR PATRA (Balasore): This is the Committee Report. (Interruptions)

SHRI GEORGE FERNANDES: This is the Report presented by your Ministry which you are unable to understand. Now I will point it out what is written further. Mr Minister, please listen to me. Please do not speak according to the instructions given by some persons in writing. Please listen to the next sentence.

[English]

"With the new policy enabling private participation in the air transport industry, it was considered desirable to remove statutory restriction imposed under the Air Corporations Act against anyone other than the scheduled corporation." (Interruptions)

DR. KRUPASINDHU BHOI (Sambalpur): I am on a point of order. (Interruptions)

SHRI GEORGE FERNANDES: I am already on a point of order. I am not

yielding. What kind of point of order can he have when I am on my legs? (Interruptions)

My point of order is that the Minister is deliberately misleading the House. There is a very clear and a very deliberate effort at confusing the issue while talking about the air taxi. If what the previous Government had done was the last word on the policy, then it was not necessary for him to say that under the industrial Policy statement of 24th July it has become necessary for him to open this industry to the private sector.

[Translation]

Now you are saying that the Government wants to operate these flights in India under the new economic policy and under the same laws.

SHRI GHULAM NABI AZAD: I agree with you. I only want to say that we did it openly and you have done the same through back door.

SHRI GEORGE FERNANDES: Hon. Mr. Minister, Sir, let it be debated but it is not associated with this law. I want to submit only this much.

SHRI GHULAM NABI AZAD: I agree to it.

SHRI GEORGE FERNANDES: This law is being made under his new economic policy.

SHRI GHULAM NABI AZAD: They wanted to know when did it start. I am only replying to this very point.

SHRI GEORGE FERNANDES: It is yet to be started.

[English]

You are saying it. This is your document. How are you dissolving your own policy, your own statement?

SHRI GHULAM NABI AZAD: That was at a later stage.

SHRI GEORGE FERNANDES: I do not understand this. You cannot have the cake and eat it too. Your own statement says that it starts with the Industrial Policy statement of 24th July.

SHRI GHULAM NABI AZAD: That comes subsequently.

SHRI GEORGE FERNANDES: No, it is not. Under the Industrial Policy statement of 24th July, 1991, the Government reviewed the policy of public sector investment and deserved the air transport sector. It was, therefore, considered no longer necessary to maintain State monopoly on air transport.

SHRI GHULAM NABI AZAD: This is on which date?

SHRI GEORGE FERNANDES: This is dated post August 1993.

SHRI GHULAM NABI AZAD: And the statement that I am quoting pertains to 1990. What I said was that what we did in 1993, you have already done it in 1990.

SHRI GEORGE FERNANDES: Mr. Minister, you are saying that this Bill emerges out of your Industrial Policy statement.

SHRI GHULAM NABI AZAD: What you are reading is correct. I am just only saying that we did it in 1993, whereas your Government did it in 1990.

SHRI GEORGE FERNANDES: No, it is not that way. You are saying that this Bill emerges out of the Industrial Policy statement. Sir, you cannot allow this. This House cannot be treated as a kindergarten class. Is not the statement has sense? Is not those fellows who wrote this statement know what they were writing? (Interruptions)

SHRI RANGARAJAN KUMARAMANGALAM (Salem): When he was the Minister, his colleague made that statement. If he is denying, let him say so. Is he denying it?

SHRI GEORGE FERNANDES: I have nothing to accept and nothing to deny. I have to only quote your statement. You say that this Bill has become necessary as a result of your Industrial Policy statement of 24th July, 1993.

SHRI RANGARAJAN KUMARAMANGALAM: I am sorry, Sir. He is misleading the House. He is trying to cover up their indirect and illegal act. (Interruptions)

SHRI RUPCHAND PAL (Hooghly): Sir, I am on a point of order.

MR. DEPUTY SPEAKER: What is your point of order? Please let me know under what rule you are raising it.

SHRI RUPCHAND PAL: Sir, the Minister is misleading the House. In 1986, a Committee was constituted under the Chairmanship of Tata and that Committee had made that recommendation. Even before that, in 1984, when Shrimati

Gandhi was the Prime Minister, one Committee was set up under the leadership of Dr. Abdul Ghafoor. (*Interruptions*)

MR. DEPUTY SPEAKER: There is no point of order in this. Yes, Shri Azad, you may please conclude now.

SHRI GHULAM NABI AZAD: Sir, our effort is to bring about closer integration and synergy in the working of the two national carriers so that their combined strength can be pooled to make them better equipped to face the competition both in India and abroad. And to this end, we wish to provide them a suitable organisational structure by which integrated working and synergy development can be built.

Sir, at the end, I hope, I have been able to meet most of the points. Of course, there are a number of points and it is very difficult to answer all of them.

SHRI GEORGE FERNANDES: No questions have been answered...

(*Interruptions*)

SHRI NITISH KUMAR: You have not answered any question...

(*Interruptions*)

SHRI GHULAM NABI AZAD: Which question do you want me to answer? (*Interruptions*) I will reply to three questions raised by Mr. George Fernandes.

[*Translation*]

SHRI SRIKANTA JENA: Please reply to the question relating to equity share.

SHRI GHULAM NABI AZAD: I have already said that the equity share would be 51 percent at the time of public issue. But right now we are not going for public issue.

SHRI SRIKANTA JENA: What will be the equity when you go for the public issue?

SHRI GHULAM NABI AZAD: It will be decided at that time only. Right now we are not going for public issue. At the time of the public issue it would be 10 or 12 per cent but how did you presume that it would be below 49 per cent.

SHRI SRIKANTA JENA: You have stated that equity will not be offered to financial institutions.

SHRI GHULAM NABI AZAD: It is not being offered right now. It would be decided at the time of the public issue. We are not going for public issue right now.

SHRI SRIKANTA JENA: You have stated that you are giving it even now.

SHRI GHULAM NABI AZAD: We are not giving at present.

SHRI SRIKANTA JENA: Mr. Deputy Speaker, Sir, there is an ambiguity.

SHRI GHULAM NABI AZAD: It will be decided at the time of going for public issue.

[*English*]

SHRI BASUDEB ACHARIA (Bankura): He has already admitted it.

SHRI SRIKANTA JENA: Mr. Ghulam Nabi Azad, earlier you said that the equity shares will not be given to the foreign companies.

SHRI GHULAM NABI AZAD: Where is the question of equity at the moment?

SHRI SRIKANTA JENA: You are going to sell this equity to the open market.

SHRI GHULAM NABI AZAD: I have said: as far as we are going to start...It is: whenever we will start. It is not that we are going to start tomorrow.

SHRI SRIKANTA JENA: But you are not going to the foreign companies.

[*Translation*]

SHRI GHULAM NABI AZAD: How the misconception can be removed from your mind?

[*English*]

(*Interruptions*)

We are starting with workers' participation. As and when we require....
(*Interruptions*)

SHRI SRIKANTA JENA: He is again misleading, Sir.

[*Translation*]

THE MINISTER OF CHEMICALS AND FERTILIZERS (SHRI RAM LAKHAN SINGH YADAV): Mr. Deputy Speaker Sir, I am on a point of order.

MR. DEPUTY SPEAKER: Yes.

(*Interruptions*)

SHRI RAM LAKHAN SINGH YADAV: Until the hon. Minister completes his reply, none of the hon. Members should raise any question. Otherwise, this discussion will go on till whole night and will never come to an end. (*Interruptions*)

[*English*]

MR. DEPUTY SPEAKER: Unless the Minister yields, nobody has got a right to put any question.

(*Interruptions*)

MR. DEPUTY SPEAKER: It is a very relevant point of order.

(*Interruptions*)

[*Translation*]

SHRI GHULAM NABI AZAD: Shri Shahbuddin had said that the maintenance and airworthiness would be compromised. There will be nothing of this sort. Shri George Fernandes has keen interest in economics while I am nil in this subject but as a common man I would like to say that

[*English*]

the total equity capitals of Air India and Indian Airlines is Rs. 134 crore.

[*Translation*]

What you call asset or reserve is debt for us and the outstanding amount under this head is Rs. 4195 crore.

SHRI GEORGE FERNANDES:

Tata is also in debt, all the companies are in debt. Mr Deputy Speaker Sir, is it the reply?

[*English*]

All the companies operated bank money. That is debt. Bank borrowing is debt.

[*Translation*]

SHRI BASUDEB ACHARIA: How much is the Government debt?

SHRI GHULAM NABI AZAD: The impression which you gave in the House was that an amount of Rs. 4095 crore is in the pocket of Air India and Airlines and these people are going out for finance. This amount is not in our pocket, it is loan. (*Interruptions*)

[*English*]

SHRI GEORGE FERNANDES: Please don't discuss an issue about which you yourself have stated that you are not..... enough to discuss. Please don't enter into the subject. Also, do not allow yourself to be misled by those bureaucrats. (*Interruptions*)

[*Translation*]

SHRI GHULAM NABI AZAD: I have expressed my humility but it does not mean that my efficiency will be questioned.

SHRI PAWAN KUMAR BANSAL (Chandigarh): You think yourself to be more clever.

[*English*]

SHRI GHULAM NABI AZAD: My humility should not be taken as inefficiency.

SHRI GEORGE FERNANDES: I am nor questioning your efficiency. I do respect you. I am only requesting you. Don't allow yourself to be misled by the bureaucrats.

(*Interruptions*)

SHRI GHULAM NABI AZAD: I was just saying that what the hon. Member has said has created an impression in the House that Air India and Indian Airlines are having more than Rs. 4,000 crore in their pockets and yet....(*Interruptions*)

SHRI GEORGE FERNANDES: If anybody gets that impression that is their ignorance. That does not speak of their intelligence!

SHRI GHULAM NABI AZAD: You ask them whether they have got that impression or not. You ask the other side too?

MR. DEPUTY SPEAKER: That particular word would not form part of the record.

SHRI GHULAM NABI AZAD: Debt servicing is at the rate of Rs. 475 crore per year. No company howsoever sound, can borrow indefinitely. That is why we have done it. With these words, I commend to this House that this Bill be passed.

SHRI AMAL DATTA: I want a clarification.

SHRI BASUDEB ACHARIA: What is the total asset of these two companies? Please tell us.

SHRI NIRMAL KANTI CHATTERJEE: Just one point. Assets of a company are composed of the equity and then the reserves and the loan capital. All these together make the assets of the company. It is a very simple thing. He is unnecessarily confusing.

SHRI AMAL DATTA (Diamond Harbour): I may also state here that we are not given the impression by anybody earlier that all the moneys which have come to Air India and Indian Airlines from other sources are their assets. We know that much. Let the Minister say as to what are the assets... (*Interruptions*)

MR. DEPUTY SPEAKER: Mr. Bhogendra Jha please. I request all the Members to take their seats. I have called Mr. Jha. You have asked some clarifications and the Minister has given the reply. Please sit down.

[*Translation*]

SHRI GEORGE FERNANDES: Mr. Deputy Speaker, Sir I have to clarify a point as allegation has been levelled against me.

[*English*]

I am on a personal explanation. Under the rules of House, I may be allowed to make this explanation.

SHRI RANGARAJAN KUMARAMANGALAM: Sir, only the person who has moved the Statutory Resolution can speak and not anybody else. That is the rule. They cannot violate the rules like this.

SHRI GEORGE FERNANDES: I must make a personal explanation.

SHRI RANGARAJAN KUMARAMANGALAM: Sir, I am on a point of order.

(*Interruptions*)

SHRI AMAL DATTA : The Minister has assured the House that major share will be of the Government. What is the device which is provided in the Act, or otherwise, by which you ensure that provision? Is he going to bring an amendment to say that 51 percent of the shares will be held by them?

(*Interruptions*)

SHRI GEORGE FERNANDES: Sir, I am on a matter of personal explanation. (*Interruptions*)

SHRI PAWAN KUMAR BANSAL: The Minister was only replying to what he has said in his speech. (*Interruptions*)

[*Translation*]

SHRI SHARAD YADAV: If such type of discussion is continued this Bill can not be passed. If someone wants to explain something, he should be given opportunity for it. (*Interruptions*)

SHRI GEORGE FERNANDES: Sir, I would like to explain about the charges levelled against me ... (*Interruptions*)... alright, if it is the trend then let it continue ... (*Interruptions*) ... I have told about the capital amount of the two companies. In my speech I have told about the debt on Indian Airlines, in which an amount of 50 crore pertains to Central Government, and 1950 crore to foreign parties. It is also given in the official records. I have told

that Air India has a capital of Rs. 79 crore and it has a debt of Rs. 74 crore 86 lakh from Central Government and Rs. 1804 crores debt of foreign parties. In my speech I have told that both the companies have a debt of Rs. 4000 crore. Now the hon. Minister says that my speech has affected his mind. I would like to know whether he has any mind to be affected...*(Interruptions)*...

SHRI BHOGENDRA JHA: Mr. Deputy Speaker, Sir, it is my submission to hon. Members that I can't speak loudly as it is forbidden to me. I will not take much time for my speech. *(Interruptions)*

MR. DEPUTY SPEAKER: Please listen to Shri Bhogendra Jha, as he always has impartial views.

SHRI BHOGENDRA JHA: I am glad to tell that hon. Minister has not opposed my resolution. I have listened to the speech of hon. Minister very carefully and found that he has not opposed my resolution anywhere ... *(Interruptions)* ... You can see the record, it has revealed his feelings that Ordinance was laid on the table of the House in compulsions. He has not opposed my yesterday's resolution for disapproval of the ordinance, in his speech.

19.00 hrs.

I thank him for it. I hope and request you all that it should also be revealed in voting also.

In respect of the explanation, I will not go into the details but I would like to point out that he has not said even one point, one sentence and not even a single word in this regard. Since 29th January, 1994, when the ordinance was issued by

him and the commencement of Budget Session had already been decided.

I request you that reply of an uproar should be given in the same manner but I am not making a noise. You have not uttered even a single word since 29th January, 1994 when the Ordinance was issued by him. On the first day of the session there was President's Address. Only yesterday the Bill was introduced and today we are ready to take decisions on it. I do not know what has happened in between, what were the compulsions and emergency which had resulted in issuing an ordinance. The reasons were told by him as were prevailing since 1991, but he could not tell about the propriety and necessity of issuing the ordinance when the Budget Session was going to commence. He has not said anything about it that what could here happened or what loss would have been suffered by the country if the ordinance was not issued by him.

I know that there was nothing of that sort and he could not even forge such a fact. Now I would like to say that Ordinance is brought at the time of urgency only but he is telling a history for the last three years. During this period several sessions of Parliament were held; there may be different reasons but he has not said anything about the propriety of the Ordinance. My colleague George Fernandes has read a quotation of the then Late Prime Minister Pt. Jawaharlal Nehru and the then Speaker, Shri Mavliankar. We all know that Ordinance should be brought at the time of urgency when the commencement of session could not be awaited but he could not tell any such reason for it.

I am not going to make any submission but going to discuss the ordinance only. Neither he has said anything on

propriety of the ordinance nor against the resolution brought by me for its disapproval. Now it has become a danger and disease for the democracy. We all should be concerned of this danger. It should not be taken lightly because today you are in power as your party is in majority today, but it can be in minority also in the coming time so take decision carefully and avoid such dangers as it can hurt you in near future. All the people of the country are looking towards your decision on this ordinance and its impact on the future generation. (*Interruptions*)

SHRI NITISH KUMAR: Mr. Deputy Speaker Sir, please introduce a refresher course for him. He is telling that time is being wasted. He has a right to reply but he is not knowing even a,b,c of Parliamentary Practice, so a refresher course should be introduced for such members. (*Interruptions*)

SHRI BHOGENDR JHA: I admit that the Minister of Parliamentary Affairs has much load of work (*Interruptions*) Please listen to me peacefully.

Mr. Deputy Speaker Sir, we are opposing this ordinance because it is a blow on democracy and Parliamentary System. It is not a question of ruling party or opposition. He has not mentioned anything that issuing of ordinance was too urgent to wait for fifteen days or in its absence the nation has to suffer a big loss, it proves that the issuing of ordinance was not necessary. I was listening to the statement of the Minister carefully (*Interruptions*), He was reciting "Hanuman Chalisa" in the ordinance (*Interruptions*) It is a blow on democracy, Parliamentary system and the people who have elected him.

Mr. Deputy Speaker, I would not like to go into details but the main point of his reply is that this Government has committed the mistake because the decision taken by the Government which was in power during 1990 was wrong. I would like to tell a story in this context. There were two brothers in a village. One day, one of the brother had a quarrel with his father and he cut the arm of the father. Another brother came and inquired why he cut the arm. (*Interruptions*) He asked whether the father belonged to him only and then cut the second arm of the father. Thus this Government has worked in such a manner and cut the other hand of Indian democracy, Indian aviation services. It is an oppression. I am not going into the details and do not want to repeat all the facts, but I think that it is not correct to play with the feelings of 90 crore people of the country by saying that the same mistake was committed by the earlier Government also. (*Interruptions*)

Mr. Deputy Speaker, Sir, he has asked that why we had supported that Government? In this respect I would like to tell that it was done to save the country. The decision taken by your Government in Shahbano case...(*Interruptions*)

[*English*]

MR. DEPUTY SPEAKER: You have argued the subject very well. The whole House is thankful to you.

[*Translation*]

SHRI BHOGENDR JHA: I am saying this on the basis of facts. The situation created by your party in Shahbano case and by laying stone of temple in Ayodhya.

(*Interruptions*)

[Translation]

SHRI BHOGENDRA JHA: I will not deviate from the subject. Kindly tell them not to interrupt....(Interruptions)....When Yudhishter asked Bhisma Pitamaha about religion? He answered while lying on his death bed "Kashama Damosteyam"....(Interruptions) I am not saying this, it has been said before 5000 years.

SHRI RAM LAKHAN SINGH YADAV: This has been mentioned in 'Gita' that what has happened and what is happening and what will happen in future, will be good for all. Now you have done your duty. (Interruptions)

SHRI NITISH KUMAR: We will listen your speech after him... (Interruptions)

[English]

MR. DEPUTY SPEAKER: Shri Bhogendra Jha, I feel you have concluded your speech. Let there be some seriousness in the House. Many of the Members have to go for *Roza*; they have been on fast since morning. You should have some sympathy for them. Do you expect the hon. Minister to be in the House now?

SHRI RAM VILAS PASWAN: It is already 7.15 p.m. How long can we sit here?

[Translation]

SHRI NITISH KUMAR: You kindly postpone it for tomorrow.

[English]

SHRI BASUDEB ACHARIA: You adjourn the House. We will continue tomorrow.

SHRI AMAL DATTA: You did not allow me to seek clarifications.

MR. DEPUTY SPEAKER: You have asked a lot of questions. You have been able to get replies from the Minister at the fag end of his speech.

I appeal to Shri Bhogendra Jha in the interests of everybody to conclude his speech.

SHRI AMAL DATTA: When I started seeking clarifications you did not allow me. You please give me an opportunity to seek some clarifications.

MR DEPUTY SPEAKER: Shri Jha, please conclude now. I felt that your speech was over.

[Translation]

SHRI BHOGENDRA JHA: I will conclude with in five minutes.

[English]

MR. DEPUTY SPEAKER: You have to address the Chair. Please conclude. You have spoken for half an hour. How long can you go on? You have put forth your points very eminently and very strongly. What else is there?

[Translation]

SHRI BHOGENDRA JHA: This Government has made a statement about Industrial Policy on 5th May 1990, and we have opposed it. Incidentally the Minister has gone to the other side. (Interruptions)

[English]

MR. DEPUTY SPEAKER: Shri Bhogendra Jha, I am very much compelled to request you to close your speech.

[English]

MR. DEPUTY SPEAKER: Virtually, you have covered all the points. You have put forth your case very strongly.

[Translation]

SHRI NITISH KUMAR: Mr. Deputy Speaker, Sir, hon. Member is asking about the propriety of the ordinance and replying to the arguments of the Government. It is his right. (Interruptions)

SHRI BHOGENDRÁ JHA: I will not speak even a single word beyond this point.

Mr. Deputy Speaker, Sir, at that time our friends wanted that we should come into power and BJP should also come into power. But we wanted to prevent the incident, whatever has happened on the 6th December. Therefore we decided that neither we form the Government nor allow BJP to form it. And we supported the National Front Government as we did not want to support you. This is not a concealed thing, it is an open fact. So, the incident occurred on 6th December did not happen in the tenure of the Government supported by us but it has occurred during your tenure. Our historical structure and cultural heritage were devastated... (Interruptions)

[English]

MR. DEPUTY SPEAKER: It is not fair to test the patience of other hon. Members here. We are expected to dispose of the Business at 6 O' clock and we have been able to sit upto 7.10 p.m I think, many of the members are losing patience. Many are BP patients. There-

fore, it is better to take all precautions. You kindly conclude.

(Interruptions)

[Translation]

SHRI NITISH KUMAR: Sir, today the hon. Member is speaking to the point. He did not deviate from the subject any time.

SHRI SHARAD YADAV: I think Nitishji and Bhogendraji and hon. Minister should stay here and we all leave the House.

SHRI BHOGENDRÁ JHA: So far as the question of patience is concerned, the Government did not have any patience at that time and they did not wait for the coming session of the Parliament and promulgated the ordinance. They do not have patience to listen to us even today.

SHRI RAM VILAS PASWAN (Rosera): Mr. Deputy Speaker, Sir, will there be any lftar today or not?

(Interruptions)

[English]

MR. DEPUTY SPEAKER: Hope you would kindly oblige the entire House. Please conclude now.

(Interruptions)

MR. DEPUTY SPEAKER: I think, Shri Bhogendra Jha has already concluded.

(Interruptions)

[Translation]

SHRI BHOGENDRA JHA: I have to submit that since the Minister has not opposed this and the ruling party and the main opposition party have become one on this issue..(Interruptions)...Thus the Parliamentary System has been hurt. I would like to request all of you that you should support my resolution disapproving this ordinance. This tendency of this Government of promulgating ordinances should be ended.

[English]

SHRI AMAL DATTA: I would like to seek one clarification. (Interruptions)

MR. DEPUTY SPEAKER: So far as your point is concerned, it is a very elaborate and a detailed one. The Minister will call you and it later.

SHRI GHULAM NABI AZAD: Sir, I will go to his residence and discuss it.

SHRI AMAL DATTA: Sir, the Minister has assured the House... (Interruptions)

MR. DEPUTY SPEAKER: Shri Bhogendra Jha has already finished his speech. Now, it is not fair to drag on these proceedings. Kindly excuse me today.

Definitely your doubts will be cleared by the hon. Minister.

Now, I shall put the Resolution moved by the hon. Member, Shri Bhogendra Jha, to the vote of the House.

Let the Lobbies be cleared.

MR. DEPUTY SPEAKER: Now the Lobbies have been cleared.

(Interruptions)

SHRI SRIKANTA JENA (Cuttack): Since Cong.(I) and BJP are one, we are walking out.

19.26 hrs.

Shri Srikanta Jena and some other hon. Members then left the House.

MR. DEPUTY SPEAKER: The question is:

"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."

The Lok Sabha divided:

As on 1st July, 1992

Division No.1

19.28 hrs.

AYES

A

B

Acharia, Shri Basudeb

Bala, Dr. Asim

Anjalose, Shri Thayil John

Balayogi, Shri G.M.C.

Barman, Shri Uddhab

Mukherjee, Shri Subrata

Basu, Shri Anil

Mukhopadhyay, Shri Ajoy

Basu, Shri Chitta

Murmu, Shri Rup Chand

Bhattacharya, Shrimati Malini

C

P

Chakraborty, Prof. Susanta

Pal, Shri Rupchand

Chatterjee, Shri Nirmal Kanti

Paswan, Shri Ram Vilas

Choudhury, Shri Lokanath

Paswan, Shri Sukdeo

Choudhury, Shri Saifuddin

Patnaik, Shri Sivaji

D

Pramanik, Shri Radhika Ranjan

Das, Shri Jitendra Nath

Prasad, Shri Hari Kewal

Datta, Shri Amal

R

F

Rai, Shri M. Ramanna

Fernandes, Shri George

Ram, Shri Prem Chand

G

Raychaudhuri, Shri Sudarsan

Giri, Shri Sudhir

Reddy, Shri B.N.

Gopalan, Shrimati Suseela

Roy, Shri Haradhan

H

Roypradhan, Shri Amar

Hossain, Shri Syed Masudal

S

J

Shastri, Acharya Vishwanath Das

Jha, Shri Bhogendra

Singh, Shri Mohan (Deoria)

K

Singh, Shri Ramashray Prasad

Kumar, Shri Nitish

T

M

Tripathy, Shri Braja Kishore

Malik, Shri Purna Chandra

Y

Mandal, Shri Brahmanand

Yadav, Shri Ram Kripal

Misra, Shri Satyagopal

Yadav, Shri Sharad

Mollah, Shri Hannan

Z

Mukherjee, Shrimati Geeta

Zainal Abedin, Shri

A

NOES

Ahirwar, Shri A. Anand

Arunachalam, Shri M.

Ahmed, Shri Kamaluddin

Athithan, Shri R. Dhanuskodi

B

Bansal, Shri Pawan Kumar
Bhagat, Shri Vishweshwar
Bhoi, Dr. Krupasindhu
Bhonsle, Shri Prataprao B.
Bhonsle, Shri Tejsinghrao
Bhuria, Shri Dileep Singh
Birbal, Shri

C

Chacko, Shri P.C.
Chaliha, Shri Kirip
Chandrakar, Shri Chandulal
Charles, Shri A
Chaudhri, Shri Narain Singh
Chaure, Shri Bapu Hari
Chavan, Shri Prithviraj D.
Chennithala, Shri Ramesh
Chikhliha, Shrimati Bhavna
Chowdhary, Shrimati Santosh

D

Dalbir Singh, Shri
Damor, Shri Somjibhai
Das, Shri Anadi Charan
Das, Shri Dwaraka Nath
Deka, Shri Probin
Delkar, Shri Mohan S.
Dennis, Shri N
Dev, Shri Sontosh Mohan
Devi, Shrimati Bibhu Kumari
Dighe, Shri Sharad

F

Faleiro, Shri Eduardo
Fernandes, Shri Oscar

G

Gaikwad, Shri Udaysingrao
Gajapathi, Shri Gopi Nath
Gamit, Shri Chhitubhai
Gavit, Shri Manikrao Hodlya
Ghatowar, Shri Paban Singh
Gogoi, Shri Tarun
Gomango, Shri Giridhar
Gudadinni, Shri B.K.

H

Handique, Shri Bijoy Krishna
Hooda, Shri Bhupinder Singh

I

Inder Jit, Shri

J

Jaffer Sharief, Shri C.K.
Jakhar, Shri Balram

Jangde, Shri Khelan Ram
Jeevarathinam, Shri R.
Jhikram, Shri Mohanlal

K

Kale, Shri Shankarrao D.
Kaliaperumal, Shri P.P.
Kamble, Shri Arvind Tulshiram
Kanaujia, Dr. G.L.
Kanithi, Dr. Viswanatham
Karreddula, Shrimati Kamala Kumari

Kasu, Shri Venkata Krishna Reddy
Kaul, Shrimati Sheila
Kewal Singh, Shri
Khanna, Shri Rajesh
Konathala, Shri Rama Krishna
Krishan Kumar, Shri S.
Krishnaswamy, Shri M.
Kshirsagar, Kumari Kesharbai Sonaji
Kudumula, Kumari Padamasree
Kuli, Shri Balin
Kumaramangalam, Shri Rangarajan
Kuppuswamy, Shri C.K.
Kurien, Prof. P.J.

L

Lakshmanan, Prof. Savithri

M

Mallikarjun, Shri
Mallu, Dr. R.
Mathur, Shri Shiv Charan
Meena, Shri Bheru Lal
Muralee Dharan, Shri K.

N

Nawale, Shri Vidura Vithoba
Nayak, Shri Mrutyunjaya
Nayak, Shri Subash Chandra
Netam, Shri Arvind
Nyamagouda, Shri S.B.

P

Padam, Dr. (Shrimati)
Palacholla, Shri V.R. Naidu

Pandeya, Dr. Laxminarayan
Pandian, Shri D.
Panigrahi, Shri Sriballav
Panja, Shri Ajit
Patel, Shri Harilal. Nanji
Patel, Shri Praful
Patel, Shri Shravan Kumar
Patel, Shri Uttambhai Harajibhai
Pathak, Shri Harin
Patil, Shrimati Pratibha Devisingh
Patra, Dr. Kartikeswar
Pattanayak, Shri Sarat Chandra
Peruman, Dr. P. Vallal
Pilot, Shri Rajesh
Potdukhe, Shri Shantaram
Prabhu Zantye, Shri Harish Narayan
Pradhani, Shri K.

R

Rajeswari, Shrimati Basava
Ram Badan, Shri
Ramamurthy, Shri K.
Ramachandran, Shri Mullappally
Rathva, Shri N.J.
Rawat, Prof. Rasa Singh
Ray, Dr. Sudhir
Reddy, Shri G. Ganga
Roshan Lal, Shri

S

Sadul, Shri Dharmanna Mondayya
Sahi, Shrimati Krishna
Sanipalli, Shri Gangadhara

Sayeed, Shri P.M.

V

Scindia, Shri Madhavrao

Verma, Shri Bhawani Lal

Shankaranand, Shri B.

Verma, Shri Phool Chand

Sharma, Capt. Satish Kumar

Verma, Kumari Vimla

Shingda, Shri D.B.

Vijayaraghavan, Shri V.S.

Shukla, Shri Vidyacharan

W

Silvera, Dr. C.

Wasnik, Shri Mukul

Singh, Shri Khelsai

Y

Singh, Shri Motilal

Yadav, Shri Ram Saran

Singh, Kumari Pushpa Devi

Yadav, Shri Surya Narayan

Singh, Shri S.B.

Singla, Shri Sant Ram

Sukh Ram, Shri

MR. DEPUTY SPEAKER: Subject to correction*, the result of the division is:

Ayes: 47

Sukhbuns Kaur, Shrimati

Noes: 142

Sultanpuri, Shri Krishan Dutt

The motion was negatived.

Sundararaj, Shri N.

Suresh, Shri Kodikkunil

Swamy, Shri G. Venkat

MR. DEPUTY SPEAKER: Now, there is amendment no. 9 moved by Shri Mohan Singh to the motion for consideration. I shall now put this amendment to the vote of the House.

T

Thangka Balu, Shri K.V.

The Amendment No 9 was put and negatived.

Thomas, Prof. K.V.

Thorat, Shri Sandipan Bhagwan

Tope, Shri Ankushrao Raosaheb

MR. DEPUTY SPEAKER: I shall now put the motion for consideration of the Bill. The question is:

Topno, Kumari Frida

Tytler, Shri Jagdish

"That the Bill to provide for the transfer and vesting of the undertakings of Indian Airlines and Air India respectively to and in the companies formed and registered as Indian Airlines Limited and Air India

U

Upadhyay, Shri Swarup

* The following Members also recorded their votes:

AYES: Shri Srikanta Jena and Dr. Sudhir Ray.

NOES: Shri Kalp Nath Rai, Shri A. Venkata Reddy, Shri K.P. Reddaiah Yadav, Shri Anna Joshi, Shri Ram Lakhan Singh Yadav and Shri K.T. Vandayar.

Limited and for matters connected therewith or incidental thereto and also to repeal the Air Corporations Act, 1953, be taken into consideration."

The Motion was adopted.

MR. DEPUTY SPEAKER: The House will now take up Clause-by-Clause consideration of the Bill.

Clause 2—Definitions

Amendment made:

Page 1, lines 14 and 15.—

omit "hereinafter referred to as the principal Act" (4)

(Shri Ghulam Nabi Azad)

MR. DEPUTY SPEAKER: The question is:

"That Clause 2, as amended, stand part of the Bill."

The motion was adopted.

Clause 2, as amended, was added to the Bill.

MR. DEPUTY SPEAKER: Shri Bhogendra Jha — Absent.

The question is:

"That clauses 3 to 7 stand part of the Bill."

The motion was adopted.

Clauses 3 to 7 were added to the Bill.

Clause 8— Provisions in respect of officers and other employees of Corporations

Amendments made:

Page 3, line 49,—

omit "new" (5)

Page 3, line 52—

omit "new" (6)

(Shri Ghulam Nabi Azad)

MR. DEPUTY SPEAKER: The question is:

"That clause 8, as amended, stand part of the Bill."

The motion was adopted.

Clause 8, as amended, was added to the Bill.

MR. DEPUTY SPEAKER: The question is:

"That clauses 9 and 10 stand part of the Bill."

The motion was adopted.

Clauses 9 and 10 were added to the Bill.

Clause 11— Repeal of Act 27 of 1953 and Corporations to cease to exist.

Amendment made:

Page 4, line 21,—

for "(1) The Air Corporations Act, 1953 is hereby repealed."

substitute "(1) On the appointed day, the Air Corporations Act, 1953 shall stand repealed." (7)

(Shri Ghulam Nabi Azad)

MR. DEPUTY SPEAKER: The question is:

"That clause 11, as amended, stand part of the Bill."

The motion was adopted.

Clause 11, as amended, was added to the Bill.

New Clause 12—

Amendment made:

Page 4,—

After line 23, add—

"12. (1) The Air Corporations (Transfer of Undertakings and Repeal) Ordinance, 1994 is hereby repealed.

(2) Notwithstanding such repeal of the Air Corporations (Transfer of Undertakings and Repeal) Ordinance, 1994, anything done or any action taken under the said Ordinance shall be deemed to have been done or taken under the corresponding provisions of this Act." (8)

(Shri Ghulam Nabi Azad)

MR. DEPUTY SPEAKER: The question is:

"That new clause 12 be added to the Bill."

The motion was adopted.

New clause 12 was added to the Bill.

Clause 1—Short Title and Commencement

Amendments made:

Page 1, line 4,—

for "1992" substitute "1994" (2)

Page 1,—

for lines 5 to 7, substitute—

"(2) It shall be deemed to have come into force on the 29th day of January, 1994." (3)

(Shri Ghulam Nabi Azad)

MR. DEPUTY SPEAKER: The question is:

"That Clause 1, as amended, stand part of the Bill."

The motion was adopted.

Clause 1, as amended, was added to the Bill.

Enacting Formula

Amendment made:

Page 1, line 1,—

for "Forty-third" substitute—

"Forty-fifth" (1)

(Shri Ghulam Nabi Azad)

MR. DEPUTY SPEAKER: The question is:

"That the Enacting Formula, as amended, stand part of the Bill."

The motion was adopted.

619 *Air Corporations*
(*Transfer of*

FEBRUARY 23, 1994 *Undertakings and Repeal* 620
Bill

The Enacting Formula, as amended,
was added to the Bill.

MR. DEPUTY SPEAKER: The
question is that the Long Title stand part
of the Bill.

The motion was adopted.

The Long Title was added to the Bill.

SHRI GHULAM NABI AZAD: Sir, I
beg to move :

MR. DEPUTY SPEAKER: The
question is :

"That the Bill, as amended, be
passed."

The motion was adopted.

19.35 hrs.

*The Lok Sabha then adjourned till Eleven
of the Clock on Thursday, February
24 1994 (Purnima 5, 1915 (Saka)*