

[Shri Lobo Prabhu]

urban needs. Give something in the villages for the villages themselves and then you will find not only sufficiently good results but you will find satisfaction with the Government and with your plans.

This requires a complete change in your planning. I had raised the point of unemployment when the Planning Budget was discussed. I had to some extent agreed even with the Chief Minister of Kerala who had criticized the Plan for lack of consideration of unemployment. I am glad that the Planning Commission has at last thought of this problem. But that is not enough. You have to begin your Plan and your entire programme with the simple idea of employing as many people as are willing to be employed. When you have done that, you have really achieved socialistic democracy or democratic socialism, by whatever name you will like to call it. In the name of the people I, therefore, adjure you to be good to them before you are good to a handful of people engaged in factories, offices and other similar spheres.

17.30 hrs.

HALF-AN-HOUR DISCUSSION PUBLIC SECTOR INDUSTRIES

श्री सीताराम केशरी (कटिहार) : सभापति महोदय, हमारी सरकार और हम ने जिस समाजवादी व्यवस्था की परिकल्पना और संकल्प किया था, उसके आधार पर हम ने मिक्स्ड इकानोमी को, सार्वजनिक और निजी क्षेत्रों में उद्योग-धंधों की प्रगति को, एक आधारशिला बनाया, ताकि हम देश में सुख और समृद्धि ला सकें। समें सन्देह नहीं है कि यदि सार्वजनिक क्षेत्र के अन्तर्गत चलने वाले उद्योग-धंधों की उन्नति हो, तो हमारी आर्थिक व्यवस्था समृद्धिशाली हो सकती है, सुव्यवस्थित हो सकती है। लेकिन मुझे दुख के साथ कहना पड़ता है कि सार्वजनिक क्षेत्र के

उद्योग-धंधों में जो खर्चियां देखने को मिलती हैं, वे बड़ी दुखद हैं, देश के हित के प्रतिकूल हैं और उन से हमारे सिद्धान्त, विचारधारा और हमारी भावना पर आघात होता है। मैं आप का ध्यान उन खर्चियों की ओर दिलाना चाहता हूँ।

आप जानते हैं कि हमारे सार्वजनिक क्षेत्र में स देश के 2416 करोड़ रुपये लगे हुए हैं, लेकिन हम उस रकम से बैंक के व्याज की दर अर्थात् 6 परसेंट भी अर्जित नहीं करते हैं। यह ठीक है कि सार्वजनिक क्षेत्र का उद्देश्य नो प्रॉफिट नो लास होना चाहिए, लेकिन इसका यह मतलब नहीं है कि सार्वजनिक क्षेत्र में जो उन्नति होनी चाहिये, वह न हो कर अवनति हो और उस में भयंकर लास हो।

17.32 hrs.

[SHRI M. B. RANA in the Chair.]

सार्वजनिक क्षेत्र के विभिन्न उद्योगों के प्रतिवेदन बजट के समय इस सदन के सामने रखे जाते हैं, लेकिन वे दो साल पुराने होते हैं और इसलिए वाद-विवाद में उन उद्योगों के सम्बन्ध में कोई ठोस सुझाव नहीं दिये जा सकते हैं। यह जरूरी है कि सार्वजनिक उद्योगों के प्रतिवेदन ज्यादा से ज्यादा आठ दस महीने के अन्दर इस सदन के सामने रख दिये जायें। जून में एकाउंट्स को क्लोज कर दिया जायें, कम्पनीज एक्ट के अनुसार बोर्ड दिसम्बर में रिपोर्ट कोर्तैयार कर दे और मार्च तक उसको सदन के सामने उपस्थित कर दिया जाये, ताकि इस सदन के सदस्य उन उद्योगों और उनके कार्य के बारे में अपने अपने सुझाव दे सकें।

मैं आप को बताना चाहता हूँ कि "करेंट लायबिलिटीज एंड प्राविजन्स फ़ार मैटीरियल्स एंड वर्क्स" हेड के अन्तर्गत 4,02,83,254 पये के बँलेंस और "करेंट एसेट्स-लोन एंड

एडवांसिज" हैड के अन्तर्गत 3,61,93,709 रुपये के वैनेस को अभी तक कनफर्म या लोकान्सा ल नहीं किया गया है। इसी प्रकार 121.23 लाख रुपये के मैटोरियल का फिन्नोकल वैरिफिकेशन नहीं किया गया है और 567.24 लाख पण्ड के मैटोरियल का वैरिफिकेशन मिर्फ वैकेजिज में ही किया गया है। इतना ही नहीं, आज से पांच छ साल पहले बिहार सरकार ने द्वैवी इंजीनियरिंग कारपोरेशन, रांची, केलिय जो जमीन ले कर थी, प्रतीत व जमीन कारपोरेशन के नाम नहीं हुई है। सार्वजनिक क्षेत्र के उद्योगों के मिनेजमेंट और इनफ्रिगेंसी का यह एक उदाहरण है।

हमारे वर्तमान राष्ट्रपति ने 8 दिसम्बर, 1968 को हैदराबाद में अपने एक भाषण में कहा था, जिसका मैं भी समर्थन करता हूँ, कि सार्वजनिक क्षेत्र के उद्योगों की एक इंडिपेंडेंट आटोनोमी होनी चाहिए। इस में सन्देह नहीं कि वह आटोनोमी इस पार्लियामेंट के प्रति रेस्पॉन्सिबल होनी चाहिये। मैं समझता हूँ कि इंडिपेंडेंट आटोनोमी से सार्वजनिक क्षेत्र के उद्योगों की एफिगेंसी बढ़ेगी और इन भयंकर लासिज के स्थान पर उन में लाभ होगा।

यह बड़ी दुःखद बात है कि सार्वजनिक क्षेत्र में भी वर्कज और मैनेजमेंट के बीच में उतना ही भेद है, जितना कि प्राइवेट सेक्टर में है। इसका कारण यह है कि सार्वजनिक क्षेत्र के उद्योगों को चलाने के लिये जो आफ्रिसर नियुक्त किये जाते हैं, उनमें लोकतांत्रिक भावना का अभाव होता है। वे आफ्रिसर अभी उसी जगह पर हैं, जहाँ प्राइवेट सेक्टर के लोग हैं, जहाँ से वे इस देश में अंग्रेज की शासन-व्यवस्था चलाते थे और जहाँ अंग्रेज उन्हें छोड़ कर गये हैं। आज के युग में, आज की परिस्थिति में, ऐसे आफ्रिसरों को कभी भी पब्लिक सेक्टर में नहीं भेजना चाहिए, जिनका आउटलुक डेमोक्रेटिक न हो, जो शोशलिस्टिक भावना से ओत-प्रोत न हों, जिनका समाजवाद

में विश्वास न हो। जाहिर है कि जिन आफ्रिसरों का विश्वास सार्वजनिक क्षेत्र में नहीं होगा, वे सार्वजनिक क्षेत्र के उद्योग-धंधों को सुचारु रूप से नहीं चला सकेंगे। सार्वजनिक क्षेत्र में केवल वही आफ्रिसर नियुक्त किए जाने चाहिए, जिन में इस देश में लोकतांत्रिक समाजवाद के आधार पर सुख-समृद्धि लाने की इन्टर्नल अर्ज हो, परिकल्पना हो। जिन लोगों को इस विचार-धारा में विश्वास न हो, उन्हें पब्लिक सेक्टर के उद्योगों का इनचार्ज बना कर नहीं भेजना चाहिये।

अगर निजी उद्योगों में, प्राइवेट सेक्टर में, मजदूरों और एम्पलायर में मतभेद होता है, तो वह बात समझ में आती है। बूँक एम्पलायर के निजी स्वार्थ का प्रश्न होता है, इसलिए वह मजदूरों के हित को उचित ढंग से नहीं देखता है। लेकिन सार्वजनिक क्षेत्र में तो एम्पलायर भी मजदूरों की ही क्लास में आता है। वह भी तो नौकरी पेशा व्यक्ति है। उसे शरीर कर्मचारियों की समस्याओं पर सहानुभूतिपूर्क, देश, मजदूरों और प्रतिष्ठान के हित में, ध्यान देना चाहिये। इंडिपेंडेंट आटोनोमी का यह फायदा होगा कि एम्पलायर या मैनेजमेंट मजदूरों की समस्याओं को स्वतंत्रतापूर्वक और सहानुभूति से देख सकेगा और सरकार को भी उचित राय दे सकेगा।

जहाँ तक मजदूरों और मैनेजमेंट के बीच मतभेद का सवाल है, मेरी राय है कि अगर लेबर ट्रिब्यूनल में फ़ैसला न हो पाये, तो कर्मचारियों और मैनेजमेंट की एक कमेटी बननी चाहिये, जो कर्मचारियों की समस्याओं को सहानुभूतिपूर्वक समझे और उनका एक ऐसा समाधान निकाल सके, जो सब को मान्य हो। आप ने देखा कि दुर्गापुर में कुछ ऐसी घटनाएँ हुईं, जिनके कारण सार्वजनिक क्षेत्र की उस इंडस्ट्री को बहुत बड़ा नुकसान हुआ। इसी तरह रांची स्थित प्रतिष्ठान में आग लग गई, जिससे बहुत बड़ा नुकसान हुआ। अगर हम मजदूरों की समस्याओं को संतोषजनक

[श्री सीता राम केमरी]

ढंग से सुलझा सकेंगे, तो हम इस प्रकार की कठिनाइयों का मुकाबला कर सकेंगे। इंडिपेंडेंट अटोनोंमी होने से इन समस्याओं को सुलझाने में आसानी होगी।

मेरा खयाल है कि सार्वजनिक क्षेत्र के उद्योग-धन्धों के पास यह इमेजिनेशन नहीं होता है कि वे यह देखें कि वे जिस माल का उत्पादन करते हैं, उसका बाजार है या नहीं। अगर बाजार में किसी चीज की मांग नहीं है, लेकिन फिर भी वे उसी चीज को बनाते चले जायें, मैं समझता हूँ कि इस में बुद्धिमानी की बात नहीं है। इस सम्बन्ध में एक रिसर्च कमेटी बनानी चाहिये, जो बाजार की छानबीन कर सके, जो यह पता लगाये कि जिस माल का उत्पादन किया जा रहा है, उस की मांग कितनी है और उसको बेचने से लाभ होगा, आदि।

एक चीज मैं और आपको सजेस्ट करूँगा केडर्ज आफ दि वर्कर्स ऐंड एम्पलायर्स के सम्बन्ध में। ऐसे लोगों की एक ट्रेनिंग होनी चाहिए ताकि जो सार्वजनिक क्षेत्र के अन्तर्गत हमारे उद्योग धन्धे और प्रतिष्ठान चल रहे हैं जिस पर हमारी विचारधारा, हमारा सिद्धान्त आधारित है उसका उन्हें पूर्ण रूप से ज्ञान हो और उस लाइन में अपने उस ज्ञान का वह लाभ उठा सकें, उसका लाभ दे सकें और राष्ट्रीय हित में उनकी सेवाओं का लाभ भी हमको हो। मगर एक चीज मैं बता देना चाहता हूँ, मैंने अक्सर उसके बारे में कहा भी है कि आप लोग जो ऐडमिनिस्ट्रेशन बना कर भेजते हैं, जो एम्पलायर भेजते हैं, जो आपका मनेजमेंट होता है उसका यदि विश्वास हमारी इन पब्लिक सेक्टर की एन्टरप्राइजेज में नहीं है तो उनके काम के पीछे उनके अन्दर जो अविश्वास की भावना है वह सदा काम करती रहेगी।

इसके अलावा जिस इंडस्ट्री में, जिस उद्योग-धन्धे में आप को लास है उसके लिए मेरी राय यह है कि प्राइवेट सेक्टर में आप को

बहुत सारे आदमी मिलेंगे जो काफी काबिल हैं, काफी योग्य हैं, प्राइवेट सेक्टर की इंडस्ट्री जो वह चलाए हुए हैं उसका उन्हें ज्ञान है, जो एफिश्येंसी है, उसका आप लाभ उठा सकते हैं। ऐसे लोगों को अपने यहां पब्लिक सेक्टर की जो इंडस्ट्री लास में चल रही है उसमें लगाकर देखें, उनके जिम्मे उसे देकर देखें कि उससे लाभ होता है या नहीं। मेरा खयाल है कि ऐसे लोगों को लगाएँगे तो आप को लाभ होगा।

दूसरी बात यह है कि पब्लिक सेक्टर और प्राइवेट सेक्टर यह जो मिक्स्ड एकोनामी का प्रारूप है, हमारे सामने देश का जो आर्थिक चित्र है, उसके अन्तर्गत में यह भी अनुरोध करूँगा कि पब्लिक और प्राइवेट सेक्टर की जो इंडस्ट्री है दोनों में काम्प्लीमेंट्री भावना होनी चाहिए। यह नहीं कि दोनों काम्प्लीटीशन में चलें। पब्लिक सेक्टर के अन्तर्गत जो चीजें हैं उसको इससे डेमेज हो रहा है, एक बहुत बड़ा नुकसान उनको इससे हो सकता है। जहाँ तक मुझे जानकारी है मैं कह सकता हूँ कि पब्लिक सेक्टर के अन्तर्गत जो उद्योग-धन्धे चल रहे हैं उनको नुकसान पहुंचाने की एक बहुत बड़ी साजिश प्राइवेट सेक्टर के अन्तर्गत होती है। इस पर भी आप को ध्यान देना चाहिए।

अब मैं अन्त में आपसे आग्रह करूँगा कि जो हमारे पब्लिक सेक्टर के अन्तर्गत उद्योग धन्धे लास में चल रहे हैं उनकी छानबीन उनकी प्रापरली एन्क्वायरी की जानी चाहिए। चूंकि इनके लास से हमारे देश को ही नहीं बल्कि इस बात के भी औचित्य पर एक बड़ा भारी कुठाराघात होता है कि हम दुनिया के सामने यह दिखाते हैं कि सार्वजनिक क्षेत्र के जो उद्योगधन्धे हम चला रहे हैं उससे देश का हित है, सार्वजनिक हित है और हमारी जो वह बड़ी कल्पना है समाजवाद की उस पर भी एक आघात पहुंचता है क्योंकि इसके अन्तर्गत जो लास होता है उसका कोई औचित्य

नहीं है। इसलिए मैं आपसे कहूंगा कि इसके लिए बाजारता एन्वयरी कमीशन बैठाइये और जो अफसर इसके लिए दोषी हैं, रेस्पॉन्सिबिल हैं, उनके खिलाफ ऐक्शन लीजिए। बहुत जगह आपके प्रति ठानों म बढा बड़ा भ्रष्टाचार है। मिस्टर गिरि ने अपने भाषण में यह भी कहा है, 8 दिसम्बर 1968 को यह भी राय दी है, कि जिस स्टेट में आप इंडस्ट्री फ्लोट करते हैं उस स्टेट के अन्दर वहां के लोकल पीपुल में यह भावना होनी चाहिये कि इसके पनपने से, इसकी उन्नति से स्थानीय लोगों को लाभ होगा। इसलिए आप इस पर भी ध्यान दें कि जिस भी स्टेट में जो भी इंडस्ट्री आप की चल रही है वहां के लोगों को कितनी संख्या में उसमें इंटरैस्ट है और कितनी संख्या में आपने उनकी बहाली उसमें की है या नहीं की है? यदि की है तो उसकी भी जानकारी कभी आपको इतना सदन में देनी चाहिए। जहां तक मुझे ख्याल है उनके साथ न्याय नहीं हो रहा है। इन शब्दों के माध्य में अपनी बात समाप्त करता हूँ।

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI P. C. SETHI): Sir, the hon. Member has raised some important points about the functioning of public sector undertakings in the country.

In this connection at the outset I would like to bring to the notice of the Honourable House that it is not only in the public sector but in every private sector, also on account of recession and many other factors there were gradual declines in profits; and not only that; there were certain losses. For example, in one of the most outstanding engineering concerns in the private sector, Braithwaite and Co. (India) Ltd., they had had in 1965-66 a profit of Rs. 26.44 lakhs which came down in 1966-67 to Rs. 7.31 lakhs and ended up in 1967-68 with a loss of Rs. 54.41 lakhs. Another important private sector unit, Burn and Co. had a profit of Rs. 46.76 lakhs in 1965-66 and ended up with a loss of Rs. 96.69

lakhs in 1967-68. IISCO which had earned a profit of Rs. 5.54 crores in 1966-67 had its profit reduced to Rs. 100.65 lakhs in 1967-68.

Let me come to TISCO. Incorporated in 1907, it was only after 9 or 10 years that they were able to declare their first dividend on ordinary shares, in 1915 or 1916. Then they retreated to a position of no-dividend; again a dividend was declared in 1920-21; this was followed by a period of no-dividend and then again a dividend was declared in 1935-36. It was only after 1940-41, that is to say, 33 years after its establishment; that they began to continuously declare dividends on ordinary shares.

First of all, I would say that the public sector enterprises wherever they have come are in sectors where it was not possible for the private sector to come in with such huge investment. In accordance with the Industrial Policy Resolution of 1948, repeated in 1956, it was in order to have overall control over the commanding heights of the economy and to have a basic infra-structure for fuller development and economic progress that we launched upon these projects.

Then most of these projects are highly capital-intensive with quite long gestation periods. We started with certain handicaps. For example, as far as the steel companies are concerned, the gross block of investment in IISCO was Rs. 900 per tonne, in the case of TISCO it was Rs. 1300 per tonne while in the case of HSL it comes to about Rs. 2400 per tonne. With the result that we have to provide for a higher amount of depreciation and interest.

Another factor to be kept in mind is that most of these projects have been started in new and undeveloped regions and the facilities which were available in the form of cheap labour, cheap land etc., to private sector industries when they came into being were not available to the public sector projects. On account of our social commitments and our objective of providing better amenities:

[Shri P. C. Sethi]

and facilities to the workers, wherever we have established public sector projects, our social costs have been too heavy, and out of the losses incurred, on townships alone we are losing to the tune of Rs. 17.38 crores. This is a major element in our losses.

We have to take account of all these factors. We have also to take note of the recession period which overtook us. On account of that, we could not have the required production. For example, we had created a particular capacity in Bhilai steel plant for production of rails to suit the requirements of the Government according to their planning programme. But on account of the recession and various other factors, the requirements of rails by Government went down, with the result that production of rails and materials to be produced for Government consumption had to be restricted, but later on, we tried to diversify it and enter the export market. Wherever we could not cater to Indian requirements, we tried to diversify not only in respect of production but in respect of sales and promote exports. That is how exports are going up.

There are so many other things which are accruing to our economy. But for the public sector projects, it would not have been possible for us to create capacities to produce various things which we are producing today to this extent. In 1948-49 the total production capacity of steel in India was only 0.9 million tonnes. In 1968-69 it was 8.8 million tonnes. Production capacity for iron ore in 1948-49 was 3 million tonnes. Today it is 30 million tonnes. Production capacity of coal has risen from 30.3 million tonnes in 1948-49 to 98.9 million tonnes today. Similarly in the case of electric transformers, motors, nitrogen, phosphatic fertilisers and petroleum products, there has been tremendous increase in output mostly contributed by public sector projects.

The contribution from public sector projects to the central exchequer by way of excise duty, which was Rs. 145.7 crores in 1966-67 reached Rs. 174.2 crores in 1967-68. I am sure as production mounts and reaches the target, the revenue from excise duty will further rise.

In 1965-66 the total foreign exchange earnings from public sector projects was Rs. 34.9 crores. In 1967-68 it rose Rs. 112.7 crores. I am sure in times to come it will rise further. Apart from foreign exchange earnings in terms of what we have exported, there is also foreign exchange saving. If we had not produced steel, engineering goods and other equipment and machinery in the public sector, it would not have been possible to meet the indigenous demand and we would have had to import them spending foreign exchange. In spite of our production capacity of 8.8 million tonnes of steel today, we are importing 1 million tonnes of alloy and other sophisticated steel. From this point of view, the saving in foreign exchange was Rs. 218 crores in 1965-66 and Rs. 254 crores in 1966-67.

Public sector projects have given employment to more than 5 to 6 lakhs people.

The total investment in public sector projects is not merely Rs. 2416 crores as mentioned by the hon. member. It is Rs. 3333 crores. But we have to take into account only the effective capital which is employed in production. Out of these 83 units 15 or 16 are still under construction and, therefore, you cannot expect any profit from those concerns. The total effective capital, as has been rightly quoted by Shri Sitaram Kesri, is Rs. 2,658 crores of which the Central Government's share is Rs. 2410 crores. Out of these 31 concerns in the public sector have made a profit of Rs. 48 crores. Only 24 concerns like Hindustan Steel, Heavy Engi-

neering, MAMC NCDC and so on have shown losses. Because the Minister of Petroleum and Chemicals is present here I am happy to say that the position in NCDC has been reversed this year and instead of loss it is making a profit. Similarly, the position of Neyveli Lignite Corporation has changed. Its losses have come down. Its production of electricity has come to the market; only in the field of fertilizer it is weak. In course of time, it will improve there also.

In the case of steel factories what has happened is that they have taken up expansion programmes. Bhilai has increased the capacity from one million to 2.5 million tonnes; Durgapur and Rourkela also have expansion programmes. On account of the expanded capacity, more money is invested there. So, they have to provide a much higher block for depreciation and higher rate of interest has to be paid on the loans. But the rated capacity and production have not come up to the mark.

One of the reasons why production could not come up to expectation is recession. There are also other factors which will take time to stabilise. I am quite sure that when Rourkela, Bhilai and Durgapur come up to the mark the position would considerably change.

It is quite true that in some of the units we had some initial difficulties; in some other units we had some labour problems. In some other units the gestation period was longer. In yet some other units the demand is not picking up. As soon as the market picks up in those sectors, the position would improve.

Then, we are not looking at our public sector units only as profit-earning units. At the same time, it is our endeavour to see that whatever deficiencies are located are corrected from time to time. That is why we have taken so many remedial measures in order to correct the situation.

As far as technocrats are concerned, we have considerably improved the position. But, as far as the managerial capacity is concerned, I quite agree with the hon. Member, we are lacking. So, from that point of view, we do need certain improvements and we are already moving in that direction. As has been pronounced by the Prime Minister, it is our policy to see that persons occupying high positions in the public sector are imbued with our social objectives and the profitability of those concerns. From this point of view, we are making certain basic changes.

Then, we are not trying to produce what is not required and then dump it on the market. We are trying to diversify our production, in tune with the requirement of the market. We are also trying to locate our deficiencies and remove them. If the inventories are high, we are trying to control them. We are also giving more autonomy to the units.

I am quite sure that with the remedial measures which we are taking, with the assistance of the respective Ministries which are in charge of those public sector units, the situation is bound to improve. We should not take such a gloomy picture of the future of our public sector units. It is for us to see that their deficiencies are removed so that they will succeed.

With regard to the demand for employment of local people, according to the circular of the Home Ministry, employment to all class III and class IV posts should be through local employment exchanges. Only local people are recruited to those posts. But, so far as technical and higher managerial posts are concerned, since the people have to come to a particular standard, we cannot limit the recruitment to the local people. For those posts we have to select people who are qualified to take over those positions in those plants. It is from this point of view that we are working in this direction

[Shri P. C. Sethi]

Therefore I do not think that the picture is so depressed as should cause the type of concern which the hon. Member has expressed here. We are certainly aware of these problems and are taking all possible steps to improve the situation.

18 hrs.

श्री सीताराम केशरी : जो जमीन पांच साल पहले ली गई थी, उसके बारे में मंत्री महोदय ने जवाब नहीं दिया है ।

श्री मोल्लू प्रसाद (बांसगांव) : मैं मंत्री महोदय से यह जानना चाहता हूँ कि क्या प्रशिक्षण वाला कार्यक्रम वहाँ पर नहीं लिया जा सकता है ?

SHRI P. C. SETHI: With regard to the surplus land, wherever it is there with the public sector projects, we have already asked them to see as to how much surplus land is there. For example, in Bokaro whatever surplus land was there they have been asked to give it back. Similarly steps are being taken in other public sector undertakings. We have said that they must look afresh at this end whatever surplus land is with them they should give it back.

SHRI SITARAM KESRI: Not only surplus land but the land which has been given for the establishment of the industry.

SHRI SAMAR GUHA (Contai): I am afraid, the way in which our public sector undertakings are being conducted and the picture that is emerging, they are only suiting the purpose of the capitalists in criticizing the very concept of introducing socialism in the sphere of our economy. The purpose of transfer of ownership from the hands of private agencies is not just that we are angry with a certain set of ownership but it is to serve certain economic and social purposes. The transfer of ownership from private hands is to see that it gives better production and greater income and that it also serves the social purpose out of this

income. But all these objectives are being belied just at the present moment.

There is also another danger. A talk of socialism is going on but socialism is being equated with nationalisation. In our democratic set-up nationalisation means governmentalisation and ultimately bureaucratisation. In the Communist set-up it is the Party capitalism. In a democratic setup it is State capitalism and in a Communist set-up it is Party capitalism. Unless the idea of socialisation is brought into being, I am afraid, our public undertakings will frustrate the very purpose of socialism and ultimately—I am afraid, it may so happen—we will be a prey in the hands of the capitalists because the capitalists will say that by nationalisation you have failed to achieve the objective.

The Administrative Reforms Commission at least has given certain thought to the problem, that is, mere nationalisation and taking over of the private concerns by the State, will not lead to the objective for which it is done. As I have already said, there are economic and social purposes. For that reason the Administrative Reforms Commission took a certain idea from Yugoslavia. The Yugoslav economic system is an improvement over the Communist economic system.

You have to remedy the ills from which the present public sector undertakings are suffering. For this the Administrative Reforms Commission suggested, firstly, the idea of autonomous corporations in the public sector for each key industry; secondly, structural change in the management; thirdly, training up of new cadres for management and, fourthly, participation of workers and representatives of the public.

These are essential for other reasons also. In Communist countries

political power and economic power are concentrated in the hands of the State. This is leading to a serious type of totalitarianism. In a democratic set-up of economic power is concentrated in the hands of political power, ultimately it may lead to the path of totalitarianism which may thwart our whole democracy.

The recommendation of the Administrative Reforms Commission is not a full-fledged remedy but it is at least a part of the remedy or recipe for the present ills from which the public sector undertakings are suffering. May I know whether the Government have given consideration and are going to accept the recommendation of the Administrative Reforms Commission in which, I should say, Mr. Kamath who is the candidate for the Vice-Presidency has had a great hand in evolving the recommendation on the public sector undertakings.

SHRI SRADHAKAR SUPAKAR (Sambalpur): Although the public sector enterprises were started about 2 to 15 years back and although several committees like the Pande Committee and the Public Undertakings Committee have made several recommendations for the improvement of the performance of the public sector undertakings, may I know why there are still teething troubles in the public sector enterprises. That is evident from the fact that the percentage of return of profit for the last three years as low as 3.4, 2.8 and 2.2.

Having regard to the fact that we are having a mixed economy in this country and steel is produced both in the private sector by TISCO and in the public sector by other public sector companies and so in Rourkela, Bhilai and Durgapur, may I know from the Government whether the private sector industries are able to make huge profits and account of better streamlining of their managements, labour and other things whereas we are not able to make adequate profits. Is it on account of that they are making huge

profits which has given rise to the remark that the rich are becoming richer and richer? May I know what are the remedies that the Government propose to make in this matter and whether the Government will thoroughly investigate into the matter?

SHRI BISWANARAYAN SHASTRI (Lakhimpur): I would like to ask only two questions.

To run an industrial project, it requires efficiency and skill as also training, and special knowledge about it. But we have seen that so far the Government have appointed retired military personnel and serving and retired civil servants to run an industrial project. In the public sector industries, their general characteristic is huge loss and strained labour relations. Is it not the result of the wrong appointment of persons who do not know anything about the industry, who are bureaucrats out and out and who are despots in their mental make-up? Is it also not the result of the wrong appointment of persons for the strained labour relations?

In view of this, may I know whether the Government propose to have a special cadre for the public sector industries?

Secondly, one of the objectives of having public sector industries in a particular region is to have regional economic balance. May I know whether the Government propose to plough back the benefit of that industry for the benefit of that region and the people living in that region?

SHRI E. K. NAYANAR (Palghat): The hon. Minister said that we have a mixed economy, both public sector and private sector, in this country. The statistics show that the losses of public sector undertakings are increasing. The annual report on the working of industrial and commercial undertakings of the Central Government shows a loss of Rs. 35.23 crores during 1967-68 against a loss of

[Shri E. K. Nayanar]

Rs. 10.18 crores in 1966-67. Hindustan Steel also is running at a loss. The private industry is running on profit basis, but year by year public sector is running at a loss. The private capitalist utilises the public sector for their profit motive. Government policy is also directed to help the private sector. That is the mixed economy we are practising. What is the reason for this? I will say bad management. Those who do not know anything of business, those who are not trained and have no experience in management are put in charge of public sector enterprises. Those who are defeated in the elections are put in the management, like Mr. K. D. Malaviya. Those who are defeated in the elections, are put in charge of engineering industry or other public sector undertakings with a pay of Rs. 4000 or Rs. 3000. This method of management system must be stopped and trained management people must be put in charge of public sector industries.

A number of times corruption charges, over-expenditure and favouritism in the state undertaking, the FACT, in our State were raised in the Parliament. That is one of the biggest undertakings. Lakhs of workers and middle class employees are working in various Government undertakings. But the Government's policy towards working classes and participation of workers in the management must change. With the help of the workers a correct man should be put in the management. The private sector does not help the industrial development of the country. While the public sector develops more and more, at the same time unemployment is developing and at the same time private sector profits are increasing.

Public sector is running on loss. The basic reason is: the Minister replied that export is increasing, output is increasing, but at the same time losses are increasing and unemployment is increasing. Government

must take all these factors into account and arrest and curb the growth of private sector monopoly and help the public sector with the help of the workers and workers' participation in the management. Government will consider these things and arrest the losses of the public sector.

SHRI S. KUNDU (Balasore): May I draw the hon. Minister's attention to this booklet 'Public Sector Enterprises—a Memorandum'. This was circulated by the Finance Ministry and there, there have been so many suggestions for implementation. I would like to know specifically two things. There has been a suggestion that public enterprises should introduce performance budgets and that it should be business type, and they must review it every month. What has happened to that?

There was also another suggestion that they must tighten up the inventory. They have said that so far as the public sector concerns are concerned, about Rs. 573 crores has been there in the inventory and it has been considered very high. How far have they been able to bring down this inventory? Sir, when we went to Hindustan Steel, we found the inventory was as high as 16—20 per cent which was considered under the business standards very high. I would like to have a specific answer to these two questions.

श्री रामावतार शास्त्री (पटना) : सभापति महोदय, सरकारी क्षेत्र के कारखानों को ठीक से चलाने के लिये मजदूरों की बहुत बड़ी भूमिका होती है और कर्मचारियों की भी भूमिका होती है । तो इस को ध्यान में रखते हुए मैं यह जानना चाहता हूँ कि रांची के हैवी इंजीनियरिंग कोरपोरेशन में जो कर्मचारी काम करते हैं और वहाँ 1967 में जो सामप्रदायिक दंगे हुए थे उस के बाद जो वहाँ के मुस्लिम कर्मचारी थे, वे भाग कर के दूसरी जगह चले गये और उन के लिये रहने की अब तक कोई व्यवस्था नहर की

गयी है। छोटे छोटे कमरों में परिवार के 10, 15 लोग रहते हैं। तो मैं जानना चाहता हूँ कि दो सला से ज्यादा हो गये, उन की तरफ से मेमोरिण्डम पेश किया जा चुके हैं, लेकिन अभी तक सरकार ने कोई व्यवस्था नहीं की। अभी हाल में वे लोग दिल्ली आये थे राष्ट्र-पति के चुनाव के समय, लेकिन प्रधान मंत्री से बातचीत नहीं हो सकी। तो मैं जानना चाहता हूँ कि वहाँ के कारखाने को शांतिमय ढंग से चलाने के लिये आवश्यक है कि उन की समस्या का समाधान निकाला जाय। तो क्या आप ने इस विषय में कोई योजना बनायी है कि जिन कर्मचारियों की रहने की व्यवस्था अभी तक नहीं है उन्हें आप एक जगह रखने की कोई व्यवस्था कर सकें ताकि वे शांतिमय तरीके से अपना काम कर सकें ?

SHRI P. C. SETHI: The hon. Members Shri Guha, Shri Supakar, Shri Shastri, Shri Kundu and Shri Ramavatar Shastri have raised certain points. Some of them are common and repetitive. I would like to clarify some of them as I have noted them.

With regard to administrative autonomy we have issued instructions and delegated more powers and we have given greater autonomy to various corporations/undertakings.

As far as one of the recommendations of the A.R.C. is concerned, that is, with regard to sectoral organisations, Government have not accepted that recommendation. The present sectors in various industries are still continuing. For example we have not made one sectoral unit of HSL and Bokaro. They are two separate companies. Besides this and one of two else, we have accepted most of the recommendations of the A. R. C. and we have issued instructions to follow them up.

Shri Kundu said about performance budgets and asked in how many companies this has been introduced. It is given in this booklet itself. In

50 this has been introduced. Performance budget has been introduced there

With regard to inventory control, inventories are high. That has been recognised. That is our policy and we are trying to control the inventories, and necessary measures are being taken. I do not have the exact figure to what extent the inventories have come down. We have taken measures on these lines.

Shri Guha and another hon. Member have raised the question that the public sector undertakings have become State monopoly and there is no workers' participation and all that. Our difficulty is this. We have labour representatives in some of the Boards. As far as representative of the unions is concerned, there is some difficulty. There is a multiplicity of unions in our country. There are unions and unions. Even in one undertaking, there are sometimes two, sometimes three unions. We will have to sit down and sort out these things. An effort was made whether we can sort out this difficulty and come to some understanding so that there may be real participation of workers and if this difficulty is resolved in some manner, Government might consider giving workers a representation in the Board of Management. This is a difficulty which all of us have to sit down and resolve.

Certain points were raised by Mr. Supakar and others. At the moment the return is 2.2 per cent and productivity is likely to increase in the Fourth Plan. We hope in the Fourth Plan the return would be somewhere between 4 and 5 per cent. Even on that account we are trying to improve the situation. The present situation would not remain there.

SHRI S. KUNDU: I think it is necessary to put the record straight. When he refers to performance budgets having been introduced in 50 organisations, does he mean internal

[Shri S. Kundu]

audit? In page 12, they say that public enterprises have been required to introduce....

SHRI P. C. SETHI: Kindly see page 11, paragraph 2 under 21. Shri Ramavtar Shastri raised the question of housing. I appreciate the difficulties of workers. We have provided housing to most of the labour in our undertakings. As I said, we are now losing Rs. 17.5 crores on townships in various undertakings. 60 to 70 per cent of the labour force has already been covered. It is true we have not been able to cover all the labour in regard to housing. But we are making an honest effort in this regard.

श्री रामावतार शास्त्री : मैं स्पेशली मुसलिम एम्प्लायीज के लिये कह रहा हूँ जो रायट के बाद अपने मकानों को छोड़ कर चले गये थे। आज वे छोटेछोटे कमरों में

रहने हैं। उन के पास रहने की जगह नहीं है। उन के लिये सरकार क्या कर रही है ?

श्री प्र० च० सेठी : मुसलिम एम्प्लायीज और हिन्दू एम्प्लायीज में कोई डिस्टिंक्शन नहीं है। जो भी लेबर एम्प्लायड है, सभी को मकान देने का सवाल है। जैसा मैंने कहा रिसोर्सेज की कमी की वजह से हम सब को मकान प्रोवाइड नहीं कर पाये हैं। 60-70 प्रतिशत लोगों को पब्लिक अन्डरटेकिंग में मकानात दिये गये हैं। इस दिशा में हमारा काम चालू है।

These are the main points raised which I have tried to answer.

18.22 hrs.

The Lok Sabha then adjourned till eleven of the clock on Saturday, August 30, 1969 | Bhadri 8, 1881 (Saka).