

**PUBLIC OPINION ON PRIVATE
AND STATE ENTERPRISES**



FORUM OF FREE ENTERPRISE

"SOHRAB HOUSE", 235 DR. D. N. ROAD, BOMBAY-1

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INTRODUCTION

It is said that freedom is like oxygen in the air we breathe in. Ordinarily, we take it for granted and begin to realise its importance only if its supply is affected. Likewise, slogans of nationalisation and state enterprises have obscured the value of people's private enterprise or free enterprise. But when some private enterprises were nationalised, the value of the service they rendered was realised by the contrast that the nationalised state enterprises provided. This booklet presents a few of the numerous letters which appear in the Indian Press, almost every day, lamenting the bad service and inefficiency of state enterprises some of which were once, when in private hands, efficiently run to serve the public. Some of these letters also pinpoint the dangers of creating state monopolies which can and often do exploit the consumer, i.e., the ordinary citizen.

"People must come to accept private enterprise not as a necessary evil, but as an affirmative good."

— Eugene Black
President, World Bank

PUBLIC SECTOR

Sir,—While sending my contribution for Rabindra Rachanavali to the officer-in-charge under the Government of West Bengal, I sent three instalments of Rs. 15 each by Postal Order at a time, hoping to send the balance of Rs. 30 next month—to avoid the extra postage and bother in sending five instalments. The officer accepted one instalment only and returned the two under registered post for submission in monthly instalments, pointing to the rule that the contribution can either be in one or in five instalments.

I wonder if anyone in the private sector would ever refuse to receive the instalments in advance and waste money and time to send them back for resubmission. Public enterprises relieved of the incentive of competition, will continue to be uneconomic so long as common sense rules are ignored by them in favour of hidebound ones.—Yours, etc.,

Calcutta, Feb. 10.

A. SEN GUPTA

(Statesman, Calcutta, Feb. 24, 1961)

POSTAL CLAIMS

Sir,—The Bombay High Court has thought it fit in a recent case to reject the claim made for the value of a lost Post Parcel only on a technical flaw, i.e., it was insured for Rs. 4 more than the actual value. The man in the street is not aware of all laws or bye-laws of our Posts and Telegraphs Department and when an occasion arises he insures his valuable post parcel only for a round sum in the belief that if he insures the post parcel the same is safe and he will get the value of the post parcel if lost in transit.

In all cases no one will care to insure the consignment or post parcel for value accurate upto a Naya Paisa.

I am sure if this kind of claim was made on a private firm, it would not have rejected the same on a technical flaw of this kind. Our Government Departments, it seems, always insist

on duping the man in the street by making so many laws and bye-laws which the ordinary citizen is not aware of.

Bombay.

C. K. G.

(“Indian Express,” Bombay, Feb. 28, 1961)

STATE TRANSPORT

Sir,—For about a month now, till 20th, our post offices have not been receiving the post. We do not know the cause. For the last 25 years when private enterprise transport was delivering postal bags, even without delay of a single hour, post was reaching every corner of the village. But now, with Government-run State Transport buses transporting postal bags, this type of delay has become a regular feature. At least now, will the authorities set this right?

Neria.

D. SRINIVASIAH

(Translated)

(“Navabharath,” Mangalore, June 27, 1962)

L.I.C.

Sir,—Mr. P. R. Gupta's letter (September 6-7) has left me dumbfounded. It is very nice to hear that the Life Insurance Corporation has set up machinery to attend to complaints, but is it not making a mockery of that machinery? Many others will testify to this. In my own case, I have ceased receiving any stamped receipt from the Corporation since November, 1959 and the only evidence of payment of my premium is the kutchra receipt I have insisted on having at the time of each payment. All my telephoned requests having fallen on deaf ears, I have resigned myself to the view that it is too much to ask the LIC to be efficient in its service to policy-holders who in any case cannot go to another insurer for better service.

Mr. Gupta's suggestion that “a little tolerance and understanding on the part of the policyholders might help considerably in easing the problem” is preposterous on the face of it and unheard of prior to nationalisation. To say that, merely

because the Calcutta Divisional Office has to service 500,000 policies and has written anew business of Rs. 55 crores, "which is more than the Oriental had done in any year in the 70 years of its existence," the policy-holder should tolerate "some irregularity here and there," discloses an utter lack of imagination and failure to come to grips with the problem before the LIC. If the present problem is considered "stupendous" there will be no word to describe the same after 10 years when the work in the Corporation's office will have multiplied many times, what with the increasing volume of business and the corresponding increase in the number of policies issued year after year.

The plain fact is that the administrative machinery set up to handle the work of the Corporation at various levels has become obsolete and is unable to keep pace with the volume of work. It is high time a committee was set up to go into this problem and evolve a procedure (to service policy-holders) which will keep pace with developments. For example, at present the Divisional Office alone services all the policies issued in its division. This reduces its branches to the level of post offices, authorized to receive premia only. Why should not all the policies be transferred to their respective branches straightaway, thus decentralizing the work and helping the branches to deal with their policy-holders much more expeditiously in receiving premia and issuing receipts? The Divisional Office can keep an over-all supervision and control and be an agency to redress policy-holder's grievances.

Calcutta.

G. RANGARAJAN

Sir,—As a field officer of the Life Insurance Corporation, I was surprised to read the Additional Zonal Manager, Mr. P. R. Gupta's reply (September 6-7) to the complaint of "Policy-holder." He says that since LIC's business has been increasing it is not possible to give proper service. May I ask why he is admitting more policies when he cannot cope with the existing ones? Does he believe that since the LIC is run by the Government servicing is not necessary? Secondly it cannot be contend-

ed that since the business is increasing the staff can commit unforgivable blunders— writing a cheque in a wrong name and not getting it signed by the proper authority. Is this not gross negligence of duty on the part of his staff? Should he not take proper action against them instead of defending their mistakes?

Calcutta.

FIELD OFFICER

Sir,—Mr. P. R. Gupta's statement (September 6-7) that any LIC policy-holder having any difficulty can immediately get help from the Officer-in-Charge is not true in all cases. I have been carrying on for three years enormous correspondence with two of the best LIC units—Hindusthan Insurance and National Insurance (Calcutta)—for issue of receipts for premia paid by the State Bank of India (Asansol Branch) regularly on my behalf, but till now no receipt has been issued to me.

Kulti.

SUBIMAL SEN

(Statesman, Calcutta, Sept. 8, 1961)

Sir,—It is perhaps petty to ventilate one's grievances through newspapers against non-receipt of premium notices and pucca receipts from the LIC, etc., but when they assume a chronic character one is left with no choice. Some drastic step must be taken to revitalize the department responsible for this bungling. I paid my premiums to the Calcutta City Branch No. 8 on Policy No. 9373206 on April 17 and on Policy No. 9373205 on May 30 but have received no receipt so far. Is nobody paid to look after this routine work?

From the private sector we used to receive as many as three notices if we happened to default. Now the usual notice and receipt are rare; default notice is rarer. It appears the Government has earned this right to despise policyholders by monopolizing this business. The whole edifice of the LIC will

B.E.S.T. BILLS

crumble to dust in spite of its grandeur and the drum beating by the Government if early steps are not taken to put it in order.

Calcutta.

KALIDAS BOSE

(*Amrit Bazar Patrika*, Calcutta, June 20, 1961)

Sir,—My LIC policy (No. 9090586) lapsed for non-payment of premium due on 10-9-1959. I wrote to the LIC on 19-10-1960 for special revival of the policy. They were benevolent enough to reply to my letter after 46 days—on December 6, 1960. I complied with their requirements on January 18, 1961 (ref.: BOC 423/PO310). But they have not found time to communicate their decision till today even though four and a half months have elapsed and several reminders have been given.

This is a specimen of the gross irresponsibility of a nationalized undertaking.

Howrah.

TAPESH CH. GOSWAMI

Sir,—Does the LIC think it can display any amount of insolence towards its policy-holders simply because it enjoys monopoly in this business? I paid my second quarterly premium (due on 15-2-1961) on 3-3-1961 (ref: BOC 423/P1038, policy No. 9416148). No pucca receipt was issued. I sent my third premium per bearer on 23-5-1961 (due date was 15-5-1961) and the officials exclaimed that the second quarterly premium had not been paid. The bearer was ignorant about the previous payment. So he paid that premium and also a fine of 50 nP. and fetched me a pucca receipt for the second premium.

How can the LIC account for this? Does it not maintain any ledger?

Wowrah.

N. K. CHAUDHURI

(Statesman, Calcutta, June 12, 1961)

Sir,—A good businessman does not annoy his customer on the question of payment of bills. The B.E.S.T. seems to have forgotten this and appears to have become either money-thirsty or shockingly inefficient. Under the threat of disconnecting supply for non-payment within a fixed time, but without self-imposing a fixed time for correcting its own errors, the B.E.S.T. has recently sent us bills for what was not due at all.

In December last we were billed for arrears of Rs. 4 when there were in fact no arrears. The B.E.S.T. could afford to be inefficient but we could not afford to have our supply disconnected and I had to waste my time to prove to the B.E.S.T. authorities that the previous bills had been paid in full.

Now this bill had come in the name of the builder who had sold us flats on an ownership basis. Naturally, we had applied, in the meantime, for transfer of meters to respective flat-owners. It seemed that the transfers were effected, for the next bills were sent to the respective flat-owners. However, when these individual bills were received, we noticed that they were in respect of the consumption during November 30, 1960 to January 28, 1961, whereas we had already paid fully and collectively up to December 28, 1960. Fearful of the threat of disconnection of supply, we paid these wrong bills, hoping for adjustment in our future bills.

But that is not all. The B.E.S.T. has now sent to the builder as well a composite bill for the period December 28, 1960, to January 28, 1961. The builder has sent the same to us.

The B.E.S.T. surely needs to do better than this.

MADHUKAR N. GOGATE,
Chairman, Bhaveshwar Niketan C. H. Society,
Bombay.
(Registration pending)

(*Times of India*, Bombay, April 6, 1962)

B.E.S.T. UNDERTAKING

Sir,—It is time the B.E.S.T. Committee representing the tax-payers of Bombay took steps to improve the Undertaking's service to consumers of electricity. The service, which was a model of efficiency before municipalisation, has deteriorated sadly.

Today a consumer submitting a requisition for supply to his installation fails to get it within the period of one month stipulated by the Indian Electricity Rules. Is it not the duty of the Government to see that the conditions of supply approved by them are faithfully observed by supply undertakings?

The B.E.S.T. Undertaking has now decided to divide its administration into two zones and these are to be administered by two different offices. Have the Bombay Government consented to this division? And if so, what instructions have the Government given to the Undertaking to duplicate its records and administrative staff so that the consumers do not have to run from one administrative office to another? If a licensee fails in his duty to its consumers the State Government is competent enough to proceed under Section 4 of the A a.

Bombay.

A CONSUMER

(*Times of India*, Bombay, March 6, 1961)

KOLAR GOLDFIELDS

Sir,—I have been reading with interest the recent reports in your columns about the Kolar goldfields. As a mining engineer who has worked there before and after nationalisation. I think it is my duty to bring out a few facts.

The reasons for nationalising the mines were never adequate or dear. The replacement of British personnel, particularly in the technical fields, could have been achieved (as, in fact, was being done) without nationalisation. The Government of Mysore has done nothing to attract talented mining engineers. The number of Indian mining engineers who have left after nationalisation is probably a dozen. The terms offered for new

entrants by the Government of Mysore make it almost impossible for an Indian mining engineer to enter the field. On the other hand, foreign personnel enjoy the same terms and facilities as before—and have fewer responsibilities.

Efficient running of the mines is not possible by any form of Government machinery. Any man in the K.G.F. would agree that the top administration today is more worried about the votes of labour than about efficiency. Furthermore, it is impossible for any non-technical administrator not to be misled by the ex-managing directors who are now the consulting engineers.

Exploration for deposits was keener in the past than it has been in recent years. The Secretariat of the Mysore Government needs to be informed that there are more than twenty-five known and explored "reefs" of which only the few paying ones have so far been worked to depth.

The fact is that the nationalisation of the mines had no purpose to serve. Now the Government of Mysore has succeeded in "passing the buck" to the Centre by giving lame excuses of administrative and accounting difficulties.

Dongerwadi.

NIHAL CHAND JAIN

(*Times of India*, Bombay, March 8, 1961)

I. & B. MINISTRY

Sir—Many people in our country fervently share the hope voiced in your editorial, "I & B" (April 12), that the elevation of the Union Ministry of Information and Broadcasting to cabinet status would lead to improvements in the functioning of All India Radio, the Films Division, the Press Information Bureau and other Government-controlled publicity media. But it is pertinent to ask whether too much fuss is not being made about the mere fact of elevation. After all, it stands to reason that not all, not even a sizable portion, of the Ministry's ills flow from its hitherto inferior status. And to assume that

the entry of the Minister-in-Charge of the portfolio into the sacred portals of the Cabinet will bring about a drastic and welcome transformation in its working seems to be ill-considered.

As you have very rightly diagnosed, the basic defect of the publicity organisation of the Government is that it is under unimaginative official control. The question is whether Mr. Gopala Reddy will now loosen this strangle-hold. The days when Sardar Patel was in charge of the portfolio are being nostalgically recalled but it is little realised or remembered that it was the Sardar who laid the foundations of this many-tentacled Government octopus. Dr. Keskar only faithfully carried out Sardar Patel's policies and it is wishful thinking to imagine that if the I. & B. Ministry had been vested in a Minister with cabinet status all along it would have been different.

The most urgent question today is this: should the public sector in publicity be permitted to grow untrammelled? Take the Films Division, for instance. About 5,000 cinema theatres in the country are being compelled to screen its documentaries and newsreels which, as you have pointed out repeatedly, are blatant official propaganda. The advent of the Films Division with its many exclusive privileges has virtually stifled the documentary art in the private sector. The organisation is tightly controlled by officialdom (the Ministry has not even bothered to post a senior official to look after this naughty baby) and the miserable plight of the technicians working in it are only too well known. As for All India Radio, it has created a nationwide vested interest in .. culture .. and has come to be associated with the conferment of patronage on artistes and musicians to the chagrin of the latter.

The Central Film Censors Board, another wing of the Ministry, has very successfully frightened the film world, and a sadly overlooked event was that in spite of, or perhaps in anticipation of the strictures of the Estimates Committee of Parliament which opined that the CFCB Chairman should be a well-known public figure with a judicial background, Dr. Keskar's last act in office was to confirm the present acting incumbent who is only an official of the organisation.

What is needed is to restrict the powers and scope of the Ministry of Information and Broadcasting in respect of these media. We do not want nationalisation or officialisation or bureaucratisation of culture.

Bombay.

M. N. PRASAD

(*Times of India*, Bombay, April 16, 1962)

ECONOMY ON RAILWAYS

Sir,—if real economy is planned and affected on the Indian Railways, there would not be any need to raise the passenger fares and freight rates. During company-managed days there was a convention that charges on establishment should not exceed 20 per cent of the earnings. Under the nationalised system of the present day, it is reported that the expenditure on this item is about 70 per cent. Even a few years ago, it was only 50 per cent. In spite of this high expenditure, efficiency is thrown to the winds and failure of the 'human element' is often mentioned in fixing the responsibility for the frequent accidents. An economy drive is the dire need of the hour on the Railways.

Thanjavur.

T. N. KALIDOSS AIYAR

(*Hindu*, Madras, April 30, 1962)

INSIDE THE PUBLIC SECTOR

Sir,—A batch of engineering students, among whom I was one, was recently taken to North India on an educational tour and the following were among our sorry experiences.

During our visit to the Hindustan Shipyard, we were not guided by any technical personnel, but by watchmen, who knew neither Tamil nor English—the only two languages we knew; they knew only Telugu and Hindi and of course no technical information. And not merely that,

we were taken nowhere near the actual works, but were merely given a bird's-eye view from a cliff top—while V.I.Ps. who probably do not know a port from port-hole are being shown round every corner of the works.

At Chittaranjan Locomotive Works, Nangal Fertilisers and the Heavy Water Plant, our experience was not very much different. I must also mention that the upkeep of the Chittaranjan factory was miserable. All this compares very unfavourably with private sector works like TELCO, Ashok Leyland, TISCO and so on, where not only was the maintenance good, but technically-informed guides took us round and explained salient features in detail. No wonder even the most faithful public sectorite among us was rather disillusioned. And what a commentary on the Prime Minister's repeated exhortations for technological studies and advancement!

At Delhi, we found that the archaeological monument, Jantar Mantar, with its precisely-calibrated stone faces, was in a state of gross negligence, with chippings off at many places and carving of visitors' names on the monument. But, of course, the lawns were beautifully kept!

Madras.

Y. Z.

(“Hindu,” Madras, Oct. 15, 1962)

"Free Enterprise was born with man
and shall survive as long as man
survives."

—A. D. Shroff

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