

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Workmen's Compensation Act, 1973".

The motion was adopted.

SHRI P. M. MEHTA: I introduce the Bill.

15.30 hrs.

PAYMENT OF WAGLS (AMENDMENT BILL

[AMENDMENT OF SECTIONS 1, 2 etc.]

SHRI P. M. MEHTA (Bhavnagar): I beg to move for leave to introduce a Bill further to amend the Payment of Wages Act, 1936.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Payment of Wages Act, 1936".

The motion was adopted.

SHRI P. M. MEHTA: I introduce the Bill.

15.30½ hrs.

Factories (AMENDMENT) BILL

[AMENDMENT OF SECTIONS 8, 9 ETC.]

SHRI P. M. MEHTA (Bhavnagar): I beg to move for leave to introduce a Bill further to amend the Factories Act, 1948.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Factories Act, 1948".

The motion was adopted.

SHRI P. M. MEHTA: I introduce the Bill.

15.31 hrs.

PAYMENT OF BONUS (AMENDMENT BILL)

[AMENDMENT OF SECTIONS 1, 2 ETC.]

SHRI P. M. MEHTA (Bhavnagar): I beg to move for leave to introduce a Bill further to amend the Payment of Bonus Act, 1965.

MR. DEPUTY-SPEAKER: The question is:

"That leave be granted to introduce a Bill further to amend the Payment of Bonus Act, 1965".

The motion was adopted.

SHRI P. M. MEHTA: I introduce the Bill.

15.32 hrs.

REMOVAL OF DISPARITIES AND CONCENTRATION OF WEALTH BILL

by Shri K. Lakkappa—contd.

MR. DEPUTY-SPEAKER: We now take up further consideration of the Bill of Shri Lakkappa on removal of disparities and concentration of wealth. Out of the two hours allotted 45 minutes were taken and the balance is one hour and forty-five minutes.

SHRI M. RAM GOPAL REDDY (Nizamabad): Sir, I strongly support the Bill moved by Shri K. Lakkappa for the reduction of disparities in this country. As somebody has rightly said, disparities in India cannot be bridged even though the distance between the moon and the earth can be bridged. This is the state of affairs in this country.

After assuming full control of the organisation and administration in this country, Shrimati Indira Gandhi wanted to do a lot of things. She promised to banish poverty from this country and she took very many good steps. She also enunciated the percolation theory that the wealth should flow not to the highest but to the lowest in this country. Unfortunately, the political parties in this country are putting hurdles in the way. Their only objective seems to be to obstruct the implementation of the progressive policies of this government. From the day they lost the elections they have started this agitation in this country. In other countries when a party is elected to power because it has got the majority, it is allowed to pursue its policies for the next four and a half years. Only during the remaining six months they start criticising the government because the election is fast approaching. In this country, on the other hand, the moment the government was in office the opposition started agitations on all conceivable grounds. They started indulging in gherao and violence. In order to indulge in violence we do not need a large number of people. One per cent or even half per cent of the population can create disturbance in this country.

We have witnessed disturbances in Andhra Pradesh and then in Gujarat recently. If the Congress Party failed in discharging their responsibilities, they take full responsibility for it. But the other parties should allow the majority party to function effectively and implement its policies. If there is any failure in the implementation of progressive policies in this country, it is on account of the obstructionist policies of the opposition parties.

Take, for instance, land reforms. Government wanted to take away the surplus lands from the zamindars and redistribute it to the landless. Unfortunately, in Andhra Pradesh there were agitations in which all the land records were destroyed. Now Government are taking fresh steps to redistribute land.

Then, when we have invested huge amounts in industries we naturally want to get reasonable returns from the investment. But the opposition parties day in and day out call the workers to go on strike which hampers production.

In this poor country, we are paying a very decent amount to the worker. On an average, every worker in this country is getting Rs. 400 to Rs. 500 per month, including bonus, provident fund, gratuity, sick leave, medical leave, etc. These well-placed workers are playing havoc in the country. In the Railways, in the L.I.C. in the Indian Airlines, the employees are well-paid. Their wage amounts can be compared with those of America and other places. But still these people are not satisfied and they go on strike. The Government wants to deal with these people firmly. There also, in the matter of removing disparities, these people are coming in the way.

As regards the foodgrains distribution, the Government wants to give cheap grains to the poor people in every part of the country. But it is the Opposition parties which are creating trouble and they are creating trouble on the transport side also. There are a handful persons who are going on strike and coming in the way. That is why there are disparities...

MR. DEPUTY-SPEAKER: There is a disparity between what you say and what the Bill says.

SHRI M. RAM GOPAL REDDY: There are disparities and we want to do away with them. Nobody has got any quarrel with spirit behind the Bill. But

it is the implementation side of it which is more important I am speaking about that. Unless and until the Opposition behaves in a constructive and responsible manner, there will be little implementation. For that, the Government need not be blamed. That is why the Government has programmed that every family in this country should have at least one person employed in a Government Department, in a factory or somewhere. In that way, we can reduce disparity.

Moreover, huge amounts are concentrated in a few people and these people are playing havoc with the black money. The Government is doing its best to unearth the black money. The black money, as you know, is a child of the Second World War when there was scarcity and the people were hoarding articles and selling them at double the price. That is still going on . . .

MR. DEPUTY SPEAKER : There should be a limit to the disparity between what you say and what the Bill says.

SHRI M. RAM GOPAL REDDY : One more disparity is that there is a disparity between one type of worker and another type of worker. That disparity has to go. The Government employees now-a-days are threatening the Government now and then to go on strike. Out of a total Budget, the Government employees are getting about 70 per cent of it and hardly 30 per cent is left over. That is why I appeal to the Government that they should decide once and for all that there will be no increase in the pay of Government servants. The difference between one wage earner and the other wage earner should not be more than 10 times.

DR. RANEN SEN (Barasat) : Mr. Deputy-Speaker, Sir, I am in agreement with the spirit of the Bill moved by Mr. Lakkappa though I have some objection to the words used by him, namely, that he wants conversion of big industrial and business concerns into cooperatives managed by all for all. That is why I say I do

not agree with certain words, the language, used by him though I support the spirit behind the Bill.

In the last few years, both in this House and outside in the country as a whole, much has been talked about the disparities in wages, the growth of monopolies, the concentration of wealth in a few hands and all that. As far as I am concerned, I think, I have heard several speeches made in this House and also outside. But what has been the result? During the last 25 or 26 years of our freedom, it has been admitted by the Government, there has been a huge concentration of wealth in the hands of a few, a huge concentration of black money in the hands of a few and that the disparity in our country between different sections of the people, between different strata of the people, between different classes of the people, has grown enormously. Take, for example, the question of wages. If we compare the wages or salaries of the lower scale employees working in a factory or an establishment and the wages or salaries or remuneration and perquisites enjoyed by a Managing Director or a specialist or General Manager, we will find that the difference is 100 times or even 150 times. Even in the Central Government or State Government, if we compare the salaries of the highest paid, the ICS or its tribe IAS, and of the chaprasi, the Class IV, we will find that the disparity is ten times or 15 times or 20 times. This has been the legacy of the British days and Government has not made any serious attempts to do away with this disparity in wages between different categories of employees. In the labour movement we have all pleaded for a differential wage system so that there is a category-wise difference in wages but at the same time not a vast disparity between different scales of pay; that is why we call it a differential system of wages—keeping in view the egalitarian outlook. This is the first point.

Secondly, it is not denying the fact—in fact, in this House this has been discussed—that in spite of the pious declara-

[Dr. Ranen Sen]

tion made in the First Five-Year Plan and the Second Five-Year Plan, there has been a serious growth of concentration of wealth in a few hands. The Mahalanobis Committee, the Sarkar Committee and the other Committees have found out that quite a huge percentage of the total wealth of the country is now concentrated in a few hands, in a few houses. The Government has admitted and that is why the Government have introduced the Monopolies and Restrictive Trade Practices Act. Even then this disparity grows. Does it grow due to strikes or gheraos? No. This grows due to the wrong policy of the Government being pursued for the last 25 or 26 years. Therefore, the country has to seriously consider how to get rid of this concentration of wealth. I know, Mr. Ganesh will get up and say, 'These are the measures that are being taken, these are the measures that are being taken, these are the measures that are being taken'. I know of such arguments because we have been hearing each other for a pretty long time. Therefore, I am not going into those things. But what I want to say is this that a definite plan has to be adopted by the Government to take over and nationalise the large number of industries in our country, starting from big monopoly capital of the foreigners to the Indian capital that is growing, that has grown, and that is likely to become a huge menace to the country. That step has to be taken. Otherwise, what happens? . . .

SHRI P. M. MEHTA (Bhavnagar) : It is beyond their capacity.

DR. RANEN SEN : Mr. Mehta says that it is beyond their capacity. But if there is proper pressure inside the country and the House, the Government will have to do it. Or, the Government has to quit. There is no other way.

Therefore, I say that this is the first step that the Government should adopt—nationalise the foreign investments. There was a discussion in this House to take over the foreign oil interests in the country

on a resolution moved by Mr. Hiren Mukherjee but that was defeated. But even then, starting from such a position, you should take over some of the industries which have a commanding height in our economy. Otherwise, what will happen? However much we talk about the concentration of wealth and other things, nothing will happen in the country unless that first step is taken.

Secondly, the Government should take special measures to really curb or control the big business that is ruling to-day in our country. It is an admitted fact. That the Government will admit and Mr. Ganesh will also admit that to-day one of the main reasons for these high prices and artificial scarcity is the existence and operation of big business in our country. Take the mill-owners, the monopolists who are controlling production, who are controlling the distribution and who are dictating the prices to the country and dictating the prices to the Government and the Government is unable to or does not want to interfere in such a position.

Therefore, instead of converting big industrial and business concerns into co-operatives managed by all for all, I suggest that it should be that the Government should socialise and nationalise these concerns leaving only the smaller and middle industrialists and thereby this concentration of wealth in a few hands will be curbed. No. 2—the Government as a model employer should try to see that this disparity in the wages of Government employees should be done away with.

I do not want to make a long speech on this. I have just indicated the line the Government should adopt. I have not taken a very negative or critical attitude of the Government because there is no use in doing that. I think this is the line that the Parliament and the Government should adopt. With these words, I support the Bill moved by Shri Lakkappa.

श्री लालजी भाई (उदुपूर) : उत्पादक महोदय, सबन में गणपूर्ति नहीं है ।

MR. DEPUTY SPEAKER : Let the bell be rung.

There is quorum now. The hon. Minister.

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI K. R. GANESH) : I am thankful to the hon. Members who have briefly participated in this Bill.

Our friend Mr. Lakkappa has moved his Bill with the best of intentions. There is no difference between him and the Government as far as the spirit of the Bill is concerned and as far as the objectives which he wants to achieve. He is a very militant member of this House and he has lot of experience, he has been working among the people of this country, and naturally this question of disparities which are there has disturbed him and he has come up with this Bill.

Having said this I would like to point out that there are certain features of the Bill which we have to consider. For the benefit of the House, I may point out that the major point in his Bill is that industrial units and business concerns with a capital of Rs. 5 lakhs or above should be converted into cooperative societies, and the owners and partners and labours and staff should become the owners and members of such a society and the other connected matters therewith. I may say that this particular approach of him, of converting the business concerns into cooperatives or cooperative societies will not achieve the desired objective which he has in his mind. There are also certain constitutional safeguards as far as this Bill is concerned. I may just indicate what these are.

Firstly, Parliament is not competent to enact saying that all industrial units and business concerns should be converted into cooperative societies because Entry 33 of the Concurrent List is there. Trade and commerce is within the States' jurisdiction. Production, supply and distribution of goods

fall within the State list. Even Cooperative Societies is a State subject. Taking over these under the management of co-operative societies without deciding the question of compensation may also involve certain constitutional problems. By saying all these things it is not at all my intention to belittle the objective of the Bill which he has moved.

There is also another point and it is this, that cooperative societies may not be the correct organisational forms for the development of industrial and for industrial growth in a vast country like ours.

It is now accepted by the largest body of opinion in our country that the large scale industrialisation based on heavy industrial growth is the basic foundation on which industrialisation and development can take place. In a vast country like India, we have certain commitments to our people. We have certain national objectives. We have an international attitude and policy. Therefore, it is very necessary that this country stands on its own legs and becomes self-reliant. This is absolutely essential. Industrialisation based on heavy industry or based on core sector is fully justified. It does not make a difference between the public sector undertakings and the private sector undertakings. The hon. Member wants that all concerns with a capital outlay of Rs. 5 lakhs are to be converted into cooperatives. In the course of his eloquent speech he gave certain figures with regard to disparities, concentration of economic power, wage difference between the minimum and the maximum and various other factors. Since he quoted from the governmental record itself, there is no difference of opinion or dispute about it. This is a reality in which we are to-day and it has been recognised by Government itself. Government has set up the Monopolies and Restrictive Trade Practices Commission. It has taken various other steps. In respect of planned development certain distortions in our economy have taken place resulting in disparities. They are still continuing.

[Shri K. R. Ganesh]

Concentration of economic power in a few hands is also continuing. There is no difference of opinion in that. My only point is : what is the strategy that we have to follow? Should we be self-reliant by industrialisation alone? Simultaneously, we have also to bring about reduction in disparities in income to the extent possible in our own conditions. The bill suffers from one grave infirmity. He speaks about industry; he does not speak about land. Land is a very large sector in which wealth is there. As a Parliamentarian of repute, he should know that the basic problem of the Indian economy to-day is land reform. Without land reforms it will not be possible to solve many of the problems that our economy to-day is faced with. Some of the great difficulties with which we are faced are not only in industries but also in land. A large part of wealth is in urban property. As far as this Bill is concerned, there is a large body of acceptance in this country that these disparities have to go

15.39 hrs.

[SHRI VASANT SATHE *in the Chair*]

There has to be a levelling up of the wages and salaries and concentration of economic power. It has to be reduced to the extent possible. The point I was trying to make was this. What is the strategy we will have to follow. The strategy that the hon. Member has given is the conversion of companies into co-operatives. This strategy, I must submit with all humility, is an utopian strategy and it does not take into consideration the relative economic situation that exists in this country to-day.

Though his intentions are good, the strategy of having a cooperative organisation in a large country like India will not reduce the disparities that exist to-day.

16.00 hrs.

Then, what should the strategy be? One strategy which Dr. Ranen Sen had indicated was nationalisation of all big industries, foreign as well as Indian, as a

means of reducing the concentration of economic power. I heard an hon. Member who is not here at the moment saying that this was beyond the capacity of the present Government. In reply to him I may say that this Government has shown the necessary political courage to nationalise many industries. This is a reality. We may not be in a position to go the whole hog as the hon. Member Dr. Ranen Sen wants us to go, in the present economic situation in which we are, having accepted some role for the private sector in the economic development of the country; and within the framework of parliamentary democracy which we have accepted we may not be able to go the whole hog with it. But I do not think that it is a true or correct assessment to say that it is beyond the capacity of this Government, because from the very day this Government has come into power, its primary objective has been to put the public sector into commanding heights and to have planned development of the country. We are now on the threshold of the Fifth Plan. It may run into difficulties, but that is a separate aspect of the matter. But a Rs. 53,000 crores plan has been prepared and various other elements which are part of the Fifth Plan have also been gone into. As regards the core sector being provided with necessary resources, foreign resources as well as capital equipment and all that, a serious discussion has taken place, as everybody knows, and we have entered into an economic agreement with the Soviet Union, according to which it looks as if this part of the core sector of the Plan will be taken care of and we may not have to go round the world abegging as far as this aspect is concerned.

It was not correct for the hon. Member to say that it was beyond the capacity of this Government to nationalise. For, nationalisation has taken place in this country. Very recently, nationalisation of banks was there and that brought about a churning in this country and it brought about new political attitudes and a new political thinking. Again, general insurance has been nationalised; coal mines have

been nationalised, and various other things have been nationalised. This will show that there is no hesitation and there is no lack of political courage as far as this Government is concerned to nationalise any industry if it is necessary in the interests of the national economy to do so.

I may say that the strategy which Government has been following, which is open to correction and which is also open to change is that through planned development, we try to bring about industrialisation and industrial growth, increase production and simultaneously reduce disparities in income. Then, we have been using fiscal measures. The taxation system being what it is—as everybody knows, a section of the House as well as a section of opinion or thinking in this country says that it is a very confiscatory system of taxation—it has been devised to mop up the surplus that is generated in the hands of the affluent sections and if it is fully implemented, it will bring about a tremendous amount of reduction in disparities. I am quite conscious of the fact that we have not been able to reorient the entire taxation machinery to achieve this objective. As you are aware, Sir, the Taxation Laws (Amendment) Bill is before a Select Committee, and linked with it is the question of the reorientation of the entire machinery of taxation to achieve this objective not only of collection of taxes but also of achieving the desired social purpose and national objective, namely of reduction in disparities which can be achieved if the present taxation system is fully implemented, and tax avoidance and tax evasion and black money is attacked frontally and an assault is made on that.

The taxation system itself has been devised to achieve these desired objectives. I have figures to show—I do not want to take up the time of the House this subject has been discussed many times—how at a particular level income becomes counterproductive, how at a particular level of wealth and property, it becomes counterproductive. But I concede that unless the taxation machinery is oriented to this task of achiev-

ing these objectives, not only the collection of revenue but also at tackling the disparity in income, probably the full impact of the taxation laws will not be felt.

Then there has been a continuous emphasis since the budget of 1971-72 when the Prime Minister as Finance Minister initiated it and it has been followed up in subsequent budgets—on what is known as social investments. There have been various social investment programmes like nutrition for children, rural water supply, social security for industrial workers, schemes for rural employment, special employment programmes for both the educated and uneducated, extension of primary education, rural house sites and so on. These were started in 1971-72. A budget provision of Rs. 125 crores was made in 1972-73. These have been carried forward in the last year's budget. There is a special programme for generating employment among educated youth. The nationalised banks have been there. In spite of the criticism of the banks, the fact is that they have been geared to the achievement of the desired objectives. More credit is now available to the priority sectors, the agricultural sector, self-employed youth, small scale industries and various other things. While making this statement, I am also conscious of the fact that the banks have also to vigorously pursue these objectives to achieve the targets set.

Then there is the role of the MRTP Act. The licensing system has been used to see that industries are taken to areas indicated by Government, areas necessary to be developed in the interest of the national economy. There has been a continuous expansion of the public sector.

Recently, there was the takeover of the wholesale trade in wheat. There is now a question before State Governments of having a ceiling on urban property for which a draft Bill is being considered at the highest level.

[Shri K. R. Ganesh]

These are the various steps Government have taken in the direction of achieving economic growth and self-reliance.

MR. CHAIRMAN : He may also deal with a point raised in some of the speeches about co-operation of all for all—I think that was the term used in Shri Lakkappa's Bill. He may deal with the aspect of taking the workers' co-operation in management.

SHRI K. R. GANESH : I will endeavour to do that. I was trying to indicate that these various steps have been taken and the impact of these steps is also there. Yet the problem remains. The problem is of very considerable dimensions. Much more vigorous steps and much more political courage as well as organisational and administrative machinery will be required to achieve the targets we have set.

There are two more questions. You asked about workers' participation in management. As far as the functioning of industry is concerned, there is an infirmity here. The hon. Mover wants these industries to be co-operativised and the management placed in the hands of the same owners. According to his scheme—I do not know how he has worked it out—he will have the same people as the managers of these industries. But it just does not work out in reality. Then he also says that the salaries will be fixed by the Government. I do not know how Government can fix the salaries of such a vast sector, because the salaries and other conditions and emoluments have got to grow depending on the conditions that evolve in our country.

As far as the workers' participation is concerned, you know and you are aware that this is the declared policy of the Government. I am conscious of the fact, having been in the movement myself, that its full implementation will involve many things; it would involve the full co-operation of the trade unions and the elimination of a multiplicity of unions; it will

involve the workers' movement itself taking a stride and becoming the defender of the public sector as the conscientious workers in their movement are feeling today. It will involve a change in the thinking of the management, and it will involve a change in the thinking of what is known as the bureaucracy. Therefore, it is a total change that will have to take place before the full impact of the workers' participation is realised. Workers' participation will not only have to be at what is known as the works committee level but it will also have to be at the decision-making level. Then only participation will become effective and it will have meaning. Therefore, it is a continuous struggle that is there, because it involves the involvement of the trade unions. The trade union movement will also have to be relieved of its present tensions that are there. There is a multiplicity of unions; some norms will have to be fixed for having a recognised union for every industry. The Labour Ministry is applying its mind to this, and I think the veteran trade unionists who have devoted their entire life to the cause of the workers like Dr. Ranen Sen, who also believe in the expansion of the public sector and who believe in the public sector becoming the dominant sector will realise that all the various assets in the trade unions and the industries will have to be used for achieving this objective.

There is only one more thing. We in this country are developing in a particular world picture, a world situation, whatever it may be called. It is well known that the western countries developed in the era of industrialisation, in the 18th and 19th centuries with no trade union rights and with very little democratic rights, with no article 311 as we have here. They also developed on the basis of exploitation of the colonies. The socialist countries developed under an organisation of complete take-over of all productive apparatus and means of production as well as under a system, what they called the democratic dictatorship of one party. They developed like that. But we are trying to develop in the sixties and the seventies under a

very democratic Constitution, and under very advanced labour laws, and under a judiciary and with a free press and various other things. We have accepted parliamentary democracy as an instrument of social change. We have no precedents. We cannot follow the capitalist countries who developed in a particular epoch of the world development. We cannot whole hog follow the socialist countries, because we have accepted parliamentary democracy and a multi-party system, free press, and all that. Therefore, the mechanics of a social transformation has still to be worked out and it is for men like Dr. Ranen Sen and others who have to say what kind of mechanism we are to have, what role the working class has to play and the various forces have to play. These are the aspects.

In the end, I would like to congratulate Shri Lakkappa for bringing this issue and raising once again this question which is being debated throughout the country today, particularly in the economic situation which is grim and which is difficult. I would only appeal to him that the objective that he wants to achieve can be achieved by a further expansion of the policies that the Government have been following, by a better implementation and by a consensus developing in the country to take over all industries and the system of workers' role in managements and various other things.

Finally, I would appeal to the hon. Member to withdraw his Bill, since his objective of focussing the attention of this august House has been achieved.

SHRI K. LAKKAPPA (Tumkur) : I am very happy that hon. Minister of State in the Ministry of Finance has gone into the various aspects of the Bill and he has also commended the spirit with which the Bill has been brought forward. This Bill aims at the removal of disparities in wages and also the removal of concentration of wealth. I have focussed the attention of the Government on the concentration of

wealth by the larger houses and incidentally on concentration of land also. The Ministers of Industrial Development and Company Affairs should have given a reply to the debate. 220 millions of our people live below the poverty level. We have given unfettered sovereign powers even to those who are below the poverty level and they participate in massive election programmes. Because of that we are in power. We have promised them too much, but nothing has come out by way of proposals. The situation is explosive. My friend Mr. Ganesh is very industrious and progressive and is doing a very good work in the Ministry. With the best of intentions our Government has been unable to establish a classless society among our people. Various measures have been taken but by legal battles inside and outside the House, certain reactionaries and vested interests are opposing progressive measures of the Government. The will of the people to establish a democratic socialist society will ultimately prevail, because sovereignty is vested in the people.

The hon. Minister has said that many measures had been taken. That is true. Unfortunately those measures are not enough to meet the situation. As stated by me earlier larger houses have accumulated 1400 crores of black money, according to the report of the Wanchoo Committee. This money is in the hands of a few people who are establishing a society for themselves. There is a great disparity in the wages earned by different people.

Take, for example, the Managing Director of a Birla concern. He would be drawing more than Rs. 40,000, and that is allowed under the Companies Act. Because, the new Companies Act is still to come into force, which will plug all the evil practices of the big business houses which are operating in this country. These Managing Directors are enjoying all the facilities at the cost of the employees of those undertakings who are producing wealth, a share of which has been denied to them. Why should we allow this disparity? Take the Mangalore Fertilizers

[Shri K. Lakappa]

and Chemicals, owned by both the Central and State Governments. The salary of the Managing Director is Rs. 7,000 plus other perquisites. This was opposed by the shareholders, who held a *dharna* before the general body meeting. Why should the Company Law Department permit such fabulous salaries to the Managing Director of a fertilizer factory? I can quote many number of instances of this kind. This has caused an explosive situation in this country.

I will refer to another adverse effect of the concentration of wealth. The manufacture of car is concentrated in the hands of a few industrialists. The manufacture of spare parts and ancillaries is controlled by their close relatives, sons-in-law or brothers-in-law. They produce sub-standard material and the result is that the entire machinery of the car is deteriorating day by day.

Even to introduce a change in the Constitution we have to wage a battle because of the opposition of these reactionaries. Whenever we try to bring in progressive measures by amending the Constitution, they oppose it.

That is why I suggest that at least 30 per cent of the concentration of wealth should be minimised until radical measures are brought in. I am not suggesting that everything should be converted into co-operative societies. For that we shall have to fight a legal battle and pass a legislation in this country by democratic methods. I am suggesting an easy solution. My friend says that there are defects in my Bill. I agree that it is not perfect. He has questioned the legislative competence of this Bill. This Bill only says that industrial units with a capital of Rs. 5 lakhs and more should be converted into cooperatives of the owners, labour and staff.

60. At the same time, the Managing Director of a concern gets a fabulous salary. That is why I suggest that such units should be converted into cooperatives and they should be run by governmental machinery. This is the first step towards the establishment of a welfare society.

The object of the Bill is to remove the disparities in wages. This Bill is on a question of economic policy and planning which is covered under Entry 20 of the Concurrent List—Economic and social planning. We have got a federal character. We have also got the Concurrent List. There are ample powers with the Central Government to direct the State Governments to establish such a society, to transform the system that has been prevailing in this country, and remove the disparities. Therefore, there is nothing wrong in it. There is no legal defect so far as this Bill is concerned. This Bill can be improved by the Government and accepted by the Government. The subject-matter of the Bill is covered under Entry 20 of the Concurrent List.

The Bill also embodies one of the Directive Principles of State Policy, article 39 (b) of the Constitution which states that both the Union Government and the State Governments should direct their policy towards securing that the ownership and control of the material resources of the community are so distributed as best to subserve the common good. This is the Directive Principle which adorns our Constitution. If it is not implemented, what is to be done? It is the responsibility of the Central Government to see that it is implemented. The material resources of the community should be distributed so that the weaker sections of the community get economic and social justice in this country.

Let us remember that 40 per cent of the people of this country are agricultural labourers who are getting only Rs. 1 to 3 a day. Similarly, a class IV employee in an industrial concern gets only Rs. 50 to 353 of the Constitution to legislative on

This is a socialistic measure of welfare and it is within the legislative competence of Parliament itself. In an Emergency, the Parliament is empowered under article 353 of the Constitution to legislative on

these matters. They can take up these issues which are very necessary and essential to establish such a society. There is no question of any defect in the Bill so far as the legal aspects are concerned.

Sir, for every legal battle, you must have observed, as a very active Member in the House, you have to face the reactionaries who come in the way of progressive legislation. Even in the case of Bank nationalisation, you know what happened. The nationalisation of Banks is only in name. We have nationalised the Banks. Whose photographs have been put in the Banks? Still the photographs of owners of Banks are put there, not of the Prime Minister who has changed the system of our society. This is the first time, she has changed the system of our society. She has said that there is to be eradication of poverty. But what do we find? We find the photographs of the owners, the proprietors, of the Banks there. Most of their relatives are working in the Banks. I want to know whether after the nationalisation of Banks, the Government has changed the feudal character of the Banks. The same people are running the Banks even after the nationalisation of Banks.

All these industrial units should be converted into a cooperative society without giving any compensation because all the wealth belongs to the nation, the society. The people who produce wealth should get into the ownership, the collective ownership. This is the first step to be taken.

There are many obstacles which come in the way. After the taking the over of the wholesale trade in wheat, the vested interests are creating difficulties. Same is the case with the taking over of rice trade. The administrative machinery that we are having is a coterie of IAS and ICS officers. Unless article 311 is removed, it will be very difficult to implement anything in the country. So much protection has been given to the very people who have got feudal character and who are opposing socialistic measures and socialistic ideas.

This Bill does not attract article 117 of the Constitution which requires the recommendation of the President for introduction of the Bill in the Lok Sabha. This is a very simple measure. It may take some time to achieve the ultimate object that we want to achieve. Do you think that a hungry nation can wait till that time comes, till all the legal battles are fought? Let us establish a socialistic society immediately and see that the control of the economy by a few hands is removed, as a first step. We have to go further also. I agree with Mr. Ganesh that this is not a permanent solution. What I am asking is this: as a first step, we may have this...

MR. CHAIRMAN: On that agreement, I think, the hon. Member may conclude.

SHRI K. LAKKAPPA: Unless the Minister for Company Affairs also replies to this debate, it will be incomplete, because my Bill attracts the attention of the Minister for Company Affairs also. The debate that has taken place concerns the Minister for Company Affairs also, and unless he replies to the debate, it will be incomplete. You have got ample power, Mr. Chairman. Anyway, I will leave it to your discretion. Most of the hon. members who participated in the debate have agreed with the principle of the Bill. Hon. Minister, Mr. Ganesh, has also agreed with the principle of the Bill and has promised on the floor of the House that he would do something better, he would take a serious note of this. In view of the assurance given by Mr. Ganesh, I would like to withdraw my Bill.

MR. CHAIRMAN: The question is:

"That leave be granted to Shri K. Lakkappa to withdraw the Removal of Disparities and Concentration of Wealth Bill."

The motion was adopted.

SHRI K. LAKKAPPA: Sir, I withdraw the Bill.