

[Mr. Speaker]

for leave to introduce his Constitution (Amendment) Bill, 1971."

*The motion was negatived.*

MR. SPEAKER : The question is :

"That this House do agree with the Seventh Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 24th November, 1971."

*The motion was adopted.*

15.49 hrs.

RESOLUTION RE : TAKING OVER OF  
CLOSED INDUSTRIAL UNITS AS  
PUBLIC ENTERPRISES—*Contd.*

MR. SPEAKER : Shri D. N. Tiwary. He is not here There are 8 minutes left.

SHRI S. M. BANERJEE (Kanpur) : I want five minutes.

SHRI S. R. DAMANI (Sholapur) : Please give me five minutes.

MR. SPEAKER : Four minutes each.

SHRI S. R. DAMANI : I have gone through the views expressed by many hon. Members in this Resolution. As far as the unemployment of workers is concerned, I sympathise with them. As far as the fall in production by the closure of the units is concerned, I support their views. But I cannot agree with many hon. Members and the Mover of the Resolution who say that the closures are brought about for black-mailing of workers. Where does the question arise ? They say that big industries are bagging the import licences, grabbing all the raw materials to the disadvantage of the small industries and that if the Government takes them over, it will work miracles at once ! I do not agree with these views. Ours is a mixed economy and both public and private sectors have to work for increasing industrial production and creating more employment. So far this has worked very well. After independence, industrial production in private sector has increased 15 times. In consumer goods, we are not only self-sufficient, but have sur-

plus capacity for export. In engineering goods, after meeting the country's requirements, we export Rs. 70 crores worth of them a year. Before independence, we were importing all the plant and machinery. But now we are making them here. After meeting the requirements of our 550 million people, our textile industry exports goods worth Rs. 110 crores a year.

Merely taking over the closed units will not solve the problem. We should study the reasons for the closure. In West Bengal during the last two or three years, hundreds of units have been closed down not on account of the management's fault, but because the politicians belonging to the ruling party at that time created such conditions that there was no other way for the units except to close down. Unless the workers are told to look after production properly, closures will not stop. Our industrial production has not increased during the last two or three years. We want that it should increase. The reasons for closure should be checked before such units are taken over and remedial action should be taken. Many textile units have been taken over by Government, but the losses have mounted, instead of stopping. If the plant and machinery are obsolete, naturally production will not go up and there will be losses. Such units should not be taken over but scrapped and new mills should be put up. Similarly, if the closure is due to the interference of politicians, Government should see that politics does not affect production. What happens in West Bengal ? What happens in Durgapur ? Every day there is trouble there in Durgapur. How much is the country losing on account of that ? therefore, on all these grounds, I oppose the Resolution.

SHRI S. M. BANERJEE (Kanpur) : Sir, I rise to support this Resolution moved by my hon. friend Shri Saha. It is very opportune because we are having a fresh discussion on this Resolution after the Ordinance was promulgated and the Bill is coming before this House next week. At that time there was some difficulty before the government in taking over any unit, be it a textile or jute mill, because it had to be done under the provisions of the Industries (Development and Regulation) Act, which sometimes took two or three years. During this period the employers ensured that the particular unit is not taken over by the government.

I have great regard for my hon. friend, Shri Damani, who knows the case of the textile industry inside out. But he has probably forgotten that after the Textile Corporation of India took over certain units which were not working well, they have started showing profits. At least in Kanpur I know two cases. The New Victoria Mills and the Minerva Mills, one owned by Singhanias and the other owned by the great Thapars were taken over by the Corporation. At the time of taking over they were just junks. I am happy to say that the Minerva Mills has now started earning profits and I have no doubt that within a very short time the New Victoria Mills will also earn profits. So, it is wrong to say that once a unit is taken over by the government it will not run properly.

After the promulgation of this Ordinance many mills have been taken over. In all those units wastage has been cut short and they are now working well. I would say that all those units which are closed for three months should be taken over by the government. In West Bengal nearly 500 units, both small, medium and large-scale, employing more than two lakhs of workers are facing closure. If they are really closed down and the workers are thrown out how could you expect to maintain law and order?

So, in all fairness this Resolution should be accepted. After all, what does the Resolution say? It says:

"This House is of opinion that the Government of India should take immediate and effective steps to take over all the factories and industrial units which have been closed down during the last five years in various parts of the country and run them as public enterprises."

In fact, a unanimous resolution was passed at the Indian Labour Conference that an Ordinance should be brought forward immediately to take over all such units in Bombay, Calcutta and other centres which are plagued by strikes and bandhs. Now government have promulgated this Ordinance. We all welcome it. Even though there are certain defects in the Ordinance which may be used by the employers, still we welcome it. Nothing is going to be lost by accepting this resolution.

Here I would like to explain one difficulty to the Minister. The moment Government takes a decision about taking over a unit, immediately the employers go and approach the honourable High Court and sometimes the honourable Supreme Court. Both of them are extremely honourable and they sometimes issue an injunction or stay order with the result that for 2-3 years it cannot be taken over.

16 hrs.

I was told by the Minister of Labour that after the Ordinance even those units about which cases are pending before the High Courts should be taken over. In that case there should be an amendment and, I hope, that will be embodied in the Ordinance which will become law that the remedy should not lie in a court of law. Once the employer has shut down a unit for three months, it should be taken over permanently not as a gift again to be given back.

With these words, I support the Resolution brought forward before the House and I congratulate the young Member of this House for the same.

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRIAL DEVELOPMENT (SHRI GHANSHYAM OZA): Mr. Speaker, Sir, I fully appreciate the sentiments of the hon. Member who has moved the Resolution. All of us are worried about the closure of industrial units and it is our desire to see that none of them is closed down because it involves so many things not only from the point of view of employment but also we need badly production in various sectors which we can ill-afford to lose.

We all very well know that due to historical reasons, our country was not as much industrialised as it should have been. When more fortunate countries in this world were having industrial revolutions and were rapidly marching ahead, because we were not masters of ourselves, we could not move our economy in the way in which we wanted to do. The result is that today most of our population has to rely upon the primary sector, that is, agriculture for employment.

We all very well know that the prosperity of a country is measured by various standards. One of them is, what is the percentage of

[Shri Ghanshyam Oza]

population which is engaged in the primary sector, that is, agriculture; what is the percentage of population engaged in secondary sector, that is industry and what is the percentage of population which is engaged in tertiary sector. This is one of the standards by which the prosperity of a country is measured. There are other things also. What is the *per capita* consumption of steel and so on. At present, we are not concerned with that aspect of the economy. We are, at present, concerned with the industrial aspect.

In this country, unfortunately, even today 70 per cent or more than that of our population is relying upon the primary sector, that is, agriculture, for employment, very little percentage in industry and still less in the tertiary sector of social services. If we talk of advanced countries, for example, in America, in the beginning of the century, 31 per cent of population found employment in agriculture and today that percentage has gone down to 7 per cent only. Only 7 per cent of the population is finding employment in agriculture there.

We are very much worried to see that every unit not only thrives, prospers, but also diversifies and expands. So, whenever a unit is closed down, it is not only the worry of that particular owner but, as a community, we are also highly worried about it and that is why we are taking appropriate steps when it comes to our notice to see that the industries are not closed down and that their wheels are kept running.

This Resolution was brought forward before the House before the Ordinance was issued to which my hon. friend, Shri S. M. Banerjee, referred. This Resolution barring a few words would have been acceptable. For example, If I read the Resolution, it says :

"This House is of opinion that the Government of India should take immediate and effective steps to take over all.....

—the word "all" if it is deleted—

".....the factories and industrial units which have been closed down during the last five years in various parts of the country....."

Then, this Resolution would have been acceptable to us. And when the Ordinance comes before the House in the form of a legislation. I would request Mr. Banerjee to bring forward appropriate amendments if he thinks that they are necessary in the larger interests of keeping the industries running. That would be the appropriate stage. But I may allay the feelings of the hon. Members who will see that the issue of this ordinance shows how earnest we are about getting these factories running. I think, with these words I should request.....

SHRI S. M. BANERJEE : About a clarification. Supposing anything is pending in the High Court, what would you do ?

SHRI GHANSHYAM OZA : Before the ordinance was brought, some enquiry was necessary, some investigation was necessary and that time was utilised by the employers to rush to the High Court. Now, we have been empowered to take immediate action in certain cases. After all, we cannot preclude the jurisdiction of the High Court. People can go to the High Court and invoke Art 226 and other appropriate Articles and we have to be ready for it because, constituted as we are, we cannot shut out the jurisdiction of the High Court and the Supreme Court. We are taking care to see that it is not being resorted to the circumvent the provisions of the law and to frustrate the very objectives of this legislation. That we have taken care of.

I think after this ordinance has been issued, this resolution becomes redundant and I don't want to take much time of the House and I would request the hon. Member if he is present here to withdraw his resolution and whatever viewpoints he has put forward can be formulated in the form of amendments and brought forward when the ordinance comes up in the form of a legislation. All these points can be more appropriately thrashed out at that stage.

DR. RANEN SEN (Barasat) : I want to just mention one point to him. In the ordinance we find that there are some anti-working class measures. Now they are being deprived of their rights enjoyed by them under the existing law. Those rights are being taken away.

SHRI GHANSHYAM OZA : That is suspension and not total deprivation.....

(Interruptions). When the actual legislation comes up, you can move an amendment. Even so far as the textile mills are concerned, various States have got these provisions by which they suspend the enforcement of certain rights.

DR. RANEN SEN : Why suspend the right of the workers for five years ?

SHRI GHANSHYAM OZA : They have to choose two things—either total unemployment or suspension of their rights for dues and start getting new remuneration and wages. We have to strike a balance between the two. These things can be better looked into and in greater detail at the time when the ordinance is discussed and when the legislation comes following this ordinance.

MR. SPEAKER : Has the hon mover of the resolution got anything to say ? He is absent.

There is only one amendment to this motion by Shri M. C. Daga—he is not here.

Now the question is :

“That in the resolution, *add* at the end—‘in case efforts fail to facilitate their running after Government of India provides necessary financial assistance to them through the respective State Governments’.” (1)

*The motion was negatived.*

MR. SPEAKER : Now, the question is : “This House is of opinion that the Government of India should take immediate and effective steps to take over all the factories and industrial units which have been closed down during the last five years in various parts of the country and run them as public enterprises.”

*The motion was negatived.*

16.09 hrs

RESOLUTION RE : RISE IN  
PRICES OF ESSENTIAL  
COMMODITIES

SHRI JYOTIRMOY BOSU (Diamond Harbour) : I beg to move :

“This House takes note with great displeasure and concern the galloping and unchecked all-round rise in prices of commodities, especially of things of daily need, and Government’s utter failure in controlling the same.”

Quoting from an economist who lives and functions in a mixed economy, it says :

Rising price causes (1) grave injustice ; (2) severe distress ; (3) encodes savings and (4) hampers future development. It ruins all but a very few.

Consumers prices have gone up within a short period of time around 30 per cent. Government keep on saying that the situation is being closely watched, that the situation has not gone out of hands and that they are trying to create consumers’ resistance. We in India are one of the lowest *per capita* income holders in the world ; vast majority of them are merged in acute poverty. The Government has shown self-imposed restraint on Government’s power for monetary restraint. Mr. Ganesh, please note. The future is very gloomy. This situation will continue to operate unless people force the Government to undo otherwise. One main reason for this is the mounting increase in the money supply.

I would like to quote a paper, a very recent one. It says :

“The capital has been witnessing an all-round rise in prices of all essential commodities for the past few weeks.

Shopkeepers agree there is an allround rise in prices of all commodities but they do not admit it is on account of fears of impending declaration of an emergency and possible war.”.....

Well, we need not take it seriously ; but then one Paper says :

“.....They merely say, “Everything is costing more now ; we are getting the commodities at higher rates ; so we are selling them at higher rates.”

I don’t want to go into more details.

What has happened is this continuous galloping with temporary slight fluctuations,