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PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

OFFICIAL REPORT

9803

58-4

HOUSE OF THE PEOPLE

Tuesday, 5th May, 1953

The House met at a Quarter Past Eight
of the Clock.

[MR. DEPUTY-SPEAKER in the Chair]

QUESTIONS AND ANSWERS

See Part I)

9-20 A.M.

✓ INDUSTRIES (DEVELOPMENT AND REGULATION) AMENDMENT BILL—Concl'd.

✓ Mr. Deputy-Speaker: The House will now take up clause by clause consideration of the Bill to amend the Industries (Development and Regulation) Act, 1951, as reported by the Select Committee.

Now, there are no amendments to clauses 2 and 3.

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): Also 4 and 5.

Shri Jhunjhunwala (Bhagalpur Central): I want to speak on clause 3.

Mr. Deputy-Speaker: We will come to clause 3. The hon. Member's amendment is to omit clause 3. He may oppose the clause.

Clause 2 was added to the Bill.

Clause 3.—(Omission of section 4)

Shri Jhunjhunwala: I had given notice of an amendment to the effect that section 4 of the amending Act be restored. (Interruptions).

Mr. Deputy-Speaker: The hon. Member may stop for a while. Let the noise subside and let those hon. Members who want to go do so.

Shri Jhunjhunwala: Before I speak on this clause, I want to have the indulgence of the House when I say that I am in full agreement with the principle of this Bill, in so far as it will be applicable to big industries and I am at one with whatever the Commerce Minister has said and that some amendment which has been moved restraining the power of the Government in taking action against the defaulters is simply to delay matters and to make the effect of this Bill nugatory.

Now I am coming to my proposal that clause 4 of the amending Act should be restored. In the Act it was provided 'Nothing in this Act shall apply to an industrial undertaking if the capital invested therein does not exceed rupees one lakh'. The whole idea of this clause was that this Act would not apply to industries which had been started by middle class people, that is, those who could not afford to start big industries. Such small industries are started by middle-class people and if this Act is made applicable to those industries, they will not be able to carry on their work smoothly. I say that they will not be able to carry on their work not because by applying this clause the Government wants to kill them but the interference with the small industries, the pin-pricking to the small industries will be so much that they will not be able to bear such pin-pricking to afford so much expense; that is the carrying out of their rules and regulations will be so expensive that they will not be able to spend so much, and in disgust, they will not be able to carry on their work smoothly.

In these days there has been a tendency that middle class people, instead of investing their money in the share capital of big undertakings want to go in for small industries. That is, four or five people join and form a small unit. This is a great impetus to the development of industries. Most of the administrative expenses that are there in big undertakings are not in the small industries. The mid-

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die class people apply their whole time and take the whole responsibility of administrative without engaging any administrative staff. As such, they can produce things at a competitive rate as compared with the other industries; and much progress and development will be made if this clause is allowed to remain. But, if this clause is allowed to be dropped, the result will be that the impetus which has been given to these small industries will be made nugatory.

Two things have been said about this by the hon. Minister. At least, I remember only these two points: if other things have been said, I do not remember them. The one is that under the guise of these small industries, people might issue debentures, might have more capital and though the Company has been started with a capital of one lakh of rupees, there is nothing to prevent them to have debentures on that, to have loans on that and make this industry a big concern, carry it on and get the advantage of this Act not being applied. To this, my suggestion to the hon. Minister is this. The clause as has been worded here is:

"Nothing in this Act shall apply to an industrial undertaking if the capital invested therein does not exceed rupees one lakh."

Here, it is provided expressly that it is not the capital of the company but the capital invested therein which counts. If there is any further doubt, it can be made clear still more that if more than a lakh of rupees is invested in capital expenditure by any company in a small concern, in that case, this Act shall be applicable to that also. But, if it is really the intention of the Government to exempt the small industries, that argument should not stand in the way of exempting small industries.

The second point which has been advanced by the hon. Minister is that if such industries are allowed to grow in small units to hundreds and two hundreds, in that case, the production of those will be so much that the object of the Bill will be frustrated. My submission to this is that this is carrying the logic to an extreme conclusion. If supposing after some time it is found that there are so many small industries which have been started in order to escape from this Act and they are not carrying out the intentions of the Government and they are just infringing the very idea of what the Government wants,

in that case, there is nothing in the way of Government to extend this Act to those industries also. But, till that thing happens, my submission to the Government is, this will stand in the way of the development of industries by the middle class people. I shall very humbly request the hon. Minister to exempt those industries from the application of this Act.

Shri T. T. Krishnamachari: I think I have explained this very point more than once on the floor of the House. I am afraid I have not had the privilege of the hon. Member who spoke before me listening to me on those occasions. We have some practical difficulties in this matter. The question of capital has got to be defined. Maybe the definition might be very restrictive. We propose to deal with this particular problem under clause 29B, where we have got power to exempt. The hon. Member has mistaken the intentions of this Act, if he thinks that everything will be free and easy. Small industries will be asked only to obtain a licence or get themselves registered, if they are going to have any substantial expansion or they are going to manufacture new articles. Barring this, there is not going to be any kind of enquiry or investigation into the manner in which they conduct their industrial unit unless it be that it is an important one for the purpose of the economy of the country. We do propose to devise a formula under clause 29B by which we shall leave the small ones alone. Unfortunately, the reaction of the small industry seems to be contrary to what my hon. friend has in mind. A number of applications for registration which were not considered came from small industries. Apparently, they feel that registration of an industry gives them status. They want to get registered. I assure my hon. friend that no hardship will be caused to the small industries. The Act will not be operated in a manner in which they will be put under check. The exemption clause will be worded sufficiently less strictly to leave out of the scope of the mischief of the Act comparatively small and unimportant industrial units. I do believe that an outright prohibition with regard to industries which have a capital investment of one lakh of rupees, such as the one contemplated in the section which has been sought to be omitted, is not one that is workable and I had explained this position. I do hold that the hon. Member has not made out a case for himself except making his suggestion. But, I

do propose to bear in mind all that he says in regard to framing the exemption limits under clause 29B.

Mr. Deputy-Speaker: The question is:

"That clause 3 stand part of the Bill."

The motion was adopted.

Clause 3 was added to the Bill.

Clauses 4 and 5 were added to the Bill.

Clause 6.—(Insertion of new Section 10A)

Shri K. C. Sodhia (Sagar): I beg to move:

In clause 6, in the proposed new section 10A, before "the Central Government" insert "after taking into consideration the explanation obtained, if any, from the undertaking concerned".

It does not go against the principle of the Bill; it does not produce any administrative difficulty. Rather, if the Government adopt it, they will enhance their reputation.

Shri T. T. Krishnamachari: To cut the argument short, I shall certainly take the advice of the hon. Member and enhance the reputation of Government by accepting the amendment.

Mr. Deputy-Speaker: The question is:

In clause 6, in the proposed new section 10A, before "the Central Government" insert "after taking into consideration the explanation obtained, if any, from the undertaking concerned".

The motion was adopted.

Mr. Deputy-Speaker: The question is:

"That clause 6, as amended, stand part of the Bill."

The motion was adopted.

Clause 6, as amended, was added to the Bill.

Clauses 7 to 12 were added to the Bill.

Clause 13.—(Insertion of Chapters IIIA and IIIB)

Shri K. C. Sodhia: I beg to move:

In clause 13, in sub-section (1) of the proposed new section 18A, before "the Central Government" insert "after considering any representation made".

Shri Bansal (Jhajjar-Rewari): I beg to move:

In clause 13, to sub-section (1) of the proposed new section 18A, add the following proviso:

"Provided that before appointing any person or body of persons to take over the management, the Central Government shall consult the Central Advisory Council."

Shri K. C. Sodhia: I beg to move:

(i) In clause 13, in the proposed new section 18A, omit the proviso to sub-section (2).

(ii) In clause 13, in the proposed new section 18G, omit part (c) of sub-section (2).

Shri M. S. Gurupadaswamy (Mysore): I beg to move:

(i) In clause 13, omit the Explanation to proposed new section 18A.

(ii) In clause 13, before the proposed new section 18A, insert:

"18A. There shall be a Central Management Board consisting of a Chairman and eleven members appointed by the Central Government of whom two shall be representatives of organised labour and not less than two shall be economists."

(iii) In clause 13, in sub-section (1) of the proposed new section 18A, for "any person or body of persons" substitute "the Central Management Board".

(iv) In clause 13, in sub-section (1) of the proposed new section 18A, omit "the whole or any part of" wherever it occurs.

Shri K. K. Basu (Diamond Harbour): I beg to move:

(i) In clause 13, omit Explanation to proposed new section 18A.

(ii) In clause 13, omit clause (c) of sub-section (1) of the proposed new section 18B.

(iii) In clause 13, to the proposed new section 18F—add:

"Provided that when the industrial undertaking which is taken control or possession of is a company incorporated under the Indian Companies Act (Act III of 1913), the possession thereof shall be handed over to the shareholders or their nominees in a manner to be determined by the shareholders in a special general meeting convened for the purpose."

Shri T. T. Krishnamachari: I beg to move:

(i) In clause 13, for clause (d) of sub-section (2) of the proposed new

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section 18G, substitute:

"(d) for requiring any person manufacturing, producing or holding in stock any such article or class thereof to sell the whole or part of the articles so manufactured or produced during a specified period or to sell the whole or a part of the articles so held in stock to such person or class of persons and in such circumstances as may be specified in the order;"

(ii) In clause 13, in sub-section (3) of the proposed new section 18G,—

(i) for "the whole or a specified part of the stock of any article or class thereof" substitute "any article"; and

(ii) in clause (a), after "can" insert "consistently with the controlled price, if any,"

Mr. Deputy-Speaker: All these amendments are now before the House for discussion.

Shri K. C. Sodhia: My previous amendment has been accepted. The same thing will apply to this amendment of mine and there should be no difficulty whatsoever for the acceptance of it.

Shri T. T. Krishnamachari: It is not quite so simple as all that, Sir. The reason for my two amendments is fairly simple. As I said at the time of making the motion for consideration, the original clause dealt only with stock. This would be very restrictive. I was told by my legal advisers that if the clause is as it stood it might be interpreted to mean what moves into the stock of a particular concern is the only articles to which the clause will apply. By the new clause it is sought to be extended to articles which are in the process of manufacture or production.

My second amendment is more or less consequential. To sub-section (3) the consequential amendments are made. If my first amendment is accepted, my second amendment follows as a matter of course.

Shri M. S. Gurupadaswamy: I want to place before the House my views regarding the setting up of a Board of Management under this Bill. This idea is not new. Some hon. Members while speaking during the general discussion had made this suggestion. They said, from the point of view of efficient management of industries that are taken over by the Government it would be far more advisable to have an independent organisation instead of entrusting it to some private managing agents or to some departmental officials.

Again and again we are told in this House that there is lack of personnel to run and manage our industries. Whenever we ask that a certain industry should be nationalised, the Treasury Benches pose a question to us; where are the men to run the industry more efficiently than private entrepreneurs? So, the best way of solving this difficulty is to train some people in the field of management of these industries. You must start now and set up a Board of Management consisting of well known economists and well known leaders of industry and experienced officers, so that we can build up a fund of reserve; when the question of nationalising industries will crop up in future we should not be worried regarding the fact that there are no personnel, no sufficient capable men to manage the industries.

Now Chapter IIIA contemplates that after a derelict undertaking is taken over by Government, it may be handed over to managing agents for purposes of management. Yesterday I was making out a case that the record of the managing agency in India is a dismal record. They have failed in their duty in the past in managing their own concerns. I cannot differentiate between a good managing agent and a bad managing agent. A managing agent who has been successful sometimes has been found to have failed on other occasions. So the entire managing agency system has proved detrimental to the national interests. If the intention of the Bill is to hand over the mismanaged industry to the management of the managing agents I cannot expect any improvement in the management or any improvement in the quality or quantity or the technique of production. I feel that it is not advisable at this stage to hand over derelict undertakings to the management of managing agency which has been acting in a manner derogatory to the interests of the nation throughout. When an industry is badly managed and when Government takes up that industry under its control it is natural to expect that that industry will be run exclusively by a group of people on behalf of Government. So a separate agency should be created for that purpose. That is absolutely necessary. That will create confidence in the progressive sections of the public.

Suppose an industry is taken over for management under this clause. If the existing clause is allowed to stand what will happen? Suppose the managing agents do not manage the industry well. What action is Government going to take against the managing agents to whom the work

of management is entrusted? Of course, Government can give directions again and again and supervise the work. That is there. But when the entire management is entrusted to a group of managing agents, the Government cannot effectively exercise their Control. Government on the one hand say that they have not got adequate personnel to manage the industry. On the other hand they say that they will effectively control these managing agents to whom the derelict industry is handed over for management. If there is lack of personnel in the Government, if Government is unable to find proper people, then the same thing applies to the question of controlling managing agents. It will be very difficult for the Government to control the managing agents to whom the concern has been entrusted for management. The inability of the Government will be there even in the matter of controlling these managing agents.

So in the existing circumstances it is better to set up a separate Board for management, and this Board should be all powerful. If that Board is set up I am sure there will be greater parliamentary control and there will be greater control by the Government. Moreover the country will in the long run be benefited by having a group of men who can take over any industry if that industry fails to discharge its responsibilities to the nation. From the point of view of future nationalisation I would advise Government to take a long range view of the matter and take all steps available to set up this Board of management. By setting up this Board of management it would provide scope and opportunity for people who are genuinely interested to come forward and offer their services.

Regarding the managing agency system I may say one word more. We do not want that a private industry mismanaged by private industrialists should again be entrusted to the management of private industrialists. If the Government wants the development and regulation of industry, if they are sincere in their professions, then they should think of a different method of controlling and managing the industry directly instead of by entrusting the management to a few managing agents. Because I fear the effectiveness of control will go away and we will be placed in a very awkward position. The position that I visualize is if an industry that is mismanaged already is taken over by Government and is entrusted to a group of managing agents and if they also mismanage, the consequences will be terrible and the Government

will be put to a lot of blame. The Government should not find itself in such an awkward position. So the entire responsibility of running the Government and there should be a industry should be taken over by the Board of Management.

There is another amendment which is comparatively less important. I have said that the words "the whole or any part of" wherever they occur in clause 13, in sub-section (1) of the proposed new section 18A may be deleted. My purpose in moving this amendment is this. The industry is either mismanaged completely or it is not. That is the position. There is no question of partial mismanagement or partial good management. If an industry is badly managed it is completely badly managed. So there is no use in having these words suggesting that a part of the industry may be taken over by the Government for management purposes. I humbly submit that management is an indivisible whole. We cannot split it up into compartments and say that we will take only this portion of management—only the Accounts department or the Production department or the Raw materials department, this department or that department. We cannot say that. If there is mismanagement there is mismanagement complete. We must take over the entire industry then, and there is no question of taking over a portion of the industry and leaving the other portion of the industry in the hands of the proprietors. These words are therefore unnecessary and they will not help the purpose of the Bill. I suggest that these words may be deleted and I hope the hon. Minister will accept my amendment.

Finally I suggest the *Explanation* appended to this clause may also be deleted because, as I said, there should be a Board of Management, and the management should not be entrusted to managing agents.

Shri K. K. Basu: I have moved certain amendments which practically deal with the managing agency system. My opinion on this has already been expressed in my dissenting note. We feel that the role that managing agency has played in the last several years has been unhappy and baneful for our industrial development. We feel that if the Government is sincere and wishes to work up to the spirit of this legislation they must have a corps of administrators other than the normal administration they have, who will be competent and capable of running this industrial undertaking which may be taken over by the Government under the provisions of this particular legislation.

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Therefore, as we suggested yesterday, the Government should try to build up an institution in whatever form it may be which can take up the responsibility when called upon by Government. Therefore we feel that there is no point why the managing agency system should be supported or favoured by Government unless the Government concede that no industrial undertaking can be run without managing agents. In this connection, the role of the managing agency system especially during world war II has been criticised by practically all concerned. Even the Government in its memorandum to the Company Law Enquiry Committee, I am told, suggested many things which go adversely against the function of the managing agency system. In this connection I may be permitted to quote from the Planning Commission's memorandum:

"If the industrial development of the country is to proceed along sound lines, in addition to the measures suggested above, it is necessary to change the present system of industrial management in the private sector in important respects. The managing agency system under which industries are controlled and operated by independent firms has, in recent times, disclosed a number of features which is harmful to the growth of industry in future."

Along with this, if you read the report of the Income-tax Investigation Commission, you will see that they have commented adversely and strongly against the working of the managing agency system and the manner in which they try to evade the taxes. They have indulged in many malpractices. There may be one or two cases where the managing agency systems had worked honestly but we do not find there is a case so strong that Government cannot manage without a managing agency system.

Yesterday I was trying to analyse the various categories of managing agents. The economic journal, *Commerce* in Bombay has analysed them into four categories, cotton, sugar, jute and tea. You will find jute and tea are essentially dominating the managing agencies. Hardly five per cent can be called as Indian managing agents. Of course in cotton and sugar, the percentage of Indian interests is higher. Take the case of Bengal. There are the managing agents, Birla Brothers. There are one or two Bengal firms as managing

agents. If you compare proportionate control of these firms over textile production, looms and spindles, with that of M/s. Kettlewell and Bullen Co., you will find that this firm of Kettlewell and Bullen has a larger proportion than the combination of all these three. Similarly in regard to sugar also. We know, especially in the UP, that there are two main industrial units, the Shrivastava group and the J. K. Industries who can be called Indian industries. I am not going at the moment to discuss what role they have been playing compared to the other British interests, the British Indian Corporation. You will find that British Corporation have got a share and a hold over the productive units of the sugar industry which may be called fairly strong:

Take jute industry. This is under the control of managing agencies which are all British concerns. If you want to take over an industrial concern, there is no point in handing it over to another British concern. We apprehend that the managing agency system which is of British origin and of a colonial character has still the same character, the same outlook so far as industrial management is concerned.

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If you take the overall Indian picture, you will find among Indians, there are a few who represent the managing agency system—Birlas, Dalmias, Walchand Hirachands, Tatas. Therefore, we feel apprehensive when the Government is going to take over an industrial undertaking and run it in the interests of the nation because instead of Birlas, the Tatas are going to manage them. Though they might have differences, they have interconnections and have a common outlook so far as the interests of the country are concerned. If one concern under Birlas behaves badly, I do not know to what extent the Tata group will work against their interests. Therefore, there is no case for this managing agency system.

Even in highly industrialised countries, this system is not working and therefore what is the necessity for Government to take over the industry and play the role of an owner to support this harmful system. Much has been said about this system for the last so many years beginning from the Industrial Commission that was appointed in 1916 and 1918. We feel that this system should be given a go-by.

The other point is I want to put a proviso to section 18F as follows:

"Provided that when the industrial undertaking which is taken control or possession of is a company incorporated under the Indian Companies Act (Act III of 1913), the possession thereof shall be handed over to the shareholders or their nominees in a manner to be determined by the shareholders in a special general meeting convened for the purpose."

The managing agents are nothing but trustees. We have seen in many cases that even when the majority shareholders do not like the managing agency system, they cannot remove the agents. I have suggested that when Government takes control or possession of an undertaking which is a company incorporated under the Indian Companies Act (Act III of 1913), Government should ascertain the opinion of the shareholders as to whom the management is to be transferred on handing back because the Company Law has not been amended yet to punish the recalcitrant and corrupt managing system. That may be the main reason why industries are being taken over by Government. There is no legislation, there is no power under which steps can be taken against incompetent or inefficient managers and managing agents. Therefore, I feel that if the industry wants to stand on its own legs, it is incumbent on the Government to ascertain the opinions of the real and actual owners of the undertaking who are the shareholders. I therefore request the Government to accept this proviso. There is no harm in accepting this. I feel it is the duty of the Government, in the interests of the industrial undertakings, in the interests of the overall industrial policy, in the interests of the shareholders who are largely common people, to ascertain their opinion before it hands over the industry to the managing agency. These are my points.

Shri Jethalal Joshi (Madhya Pradesh): I entirely agree with the intention of the Government. It is clear from this Bill that the Government wants to remove the impediments which hamper the progress of the industries. It is a laudable idea and nobody would object to it. I would go even to the extent of nationalisation of the industry if it were to step up the progress of the industry but I have certain apprehensions or misgivings. What is the guarantee that by placing the industry in the hands of Government servants or in the hands of other persons, there will be expansion of industry? What I feel most is about the industry and the prestige of the Government. When

this Bill will be in the form of an Act, I feel that the industrial undertakings will be frightened and they may perhaps close down or they may tend to arrest the expansion of industry.

Shri G. P. Sinha Palamau cum Hazaribagh cum Ranchi): They will not be allowed to close down.

Shri Jethalal Joshi: As regards Government servants also, my fears are very grave. We have the experience of industrial undertakings that were left over in India when the Partition came on. Some of these were mismanaged and there was great loss in those undertakings. Again, this Bill arms the Government servants or the persons to whom the management is to be handed over, with enormous powers, and the greater the powers, the greater are the chances of corruption and bribery. How are we going to stop this bribery? How are we going to stop this corruption? The prestige of the Government has gone down much in these five years and I think we should see to it that prestige does not go lower than it has gone down during this period.

Our industry is very backward. Of the whole industrial output of the world, USA and Canada have 39 per cent.; France, Germany and England produce about 24 per cent.; Russia and her satellite countries produce about 25 per cent., of the whole output of the world, three per cent., goes to Japan and Australia. There remain only nine per cent. for the Asiatic countries which include India and African countries. We can see how backward our country is so far as industrial output is concerned. What is the experience of the Government servants who will go to run these industries? Industry, after all, is just like an administration, a highly technical thing. It is not just heaping up files or taking notes. Mere theory also does not help our country to rise in industry. Therefore, I feel that there should be a Board set up with certain limited powers to superintend these industrial concerns and their management and then to report to the Government.

Then there is a clause about contracts. As soon as the management is taken over, the persons in whom this management will be vested, will have the power to file an application to the court to cancel the contracts. I think as soon as this Act comes into force, no person would come forward to enter into contracts with industrial undertakings. They would not like to go to the law courts every now and then and pay the high costs of lawyers' fees. Then, these persons have

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even greater powers and even if there is mismanagement by the persons to whom the management is given no legal action would lie against them. This is a sort of protection or safety for those persons who would specialise themselves in mismanagement. I think the hon. Minister concerned would do well to see that these apprehensions are removed. Some suitable changes or amendments may be made so as to remove the apprehensions that would be created in the mind of the people. With these words, I resume my seat.

Pandit M. B. Bhargava: (Ajmer South): I rise to extend my wholehearted support to this clause, which I think is not only the soul of this amending measure, but in fact, the soul of the parent Act itself: I mean Chapter III A, with which we are dealing. By this measure, by this particular clause, it is provided that it will be competent for the Government to take over the management of a mismanaged industry or when an existing industry is found to be working in a manner highly detrimental to the scheduled industry or in the public interest. My submission is that the parent Act itself has been on the statute-book for over a year. But, as the hon. Minister himself informed us, there had been one occasion and even on that occasion, it has not been used. So far as the utility of a measure, however well planned and well devised it may be, is concerned, it all depends on how its provisions are implemented. The success of this measure, I humbly think, if implemented, will be a landmark in the economic and industrial development of our country. As I said, it all depends on the way the Government implements this measure. In fact, it will depend on how the investigating agency functions, the integrity, efficiency and honesty of the investigating agency, in the first instance.

Secondly, it will depend for its success or failure on the agency upon which the management devolves after the industry has been taken over by the Government. It has been complained that the Government agency is not efficient in the commercial line and it has also been apprehended that there is likelihood of evil, corruption etc. But the very fact that the Government have provided in this clause that the management will be handed over to such agencies even though they may be from the commercial and business class shows that the Government are very anxious to see that the management is handed over to persons well skilled in business and competent to run the industry on

sound lines. Of course, the supervision and the ultimate responsibility for the management will be on the Government and the success or failure of this experiment will depend upon the supervising agency, its efficiency, honesty and integrity.

My justification for intervening in the debate on this clause at this stage is the sad plight to which the textile industry in the State of Ajmer has been reduced. At present, it is passing through a very great crisis. The hon. Minister while introducing this Bill—at the reference stage—had stated that the Government would see that only those industrial concerns which were an economic unit would be taken over. But if the object of the Bill is that the industrial concerns should run on sound lines, that our industrial production may not be impeded and that unemployment should not increase, and if the concern being an economic unit is made a *sine qua non* or a condition for the taking over of the management by the Government, I submit it considerably narrows down the purview, scope and ambit of this Bill. The concern of the Government should be whether an industrial concern is or is not being worked in public interest and the public interest includes whether as a result of the stopping of the industry, a large number of labour will not be reduced to unemployment. In my State the industrialists have managed to exploit labour so far. The textile industry, because of its being a very highly organised industry, was not included in the schedule of minimum wages and, therefore, labour was very very low-paid in our State. It was with great difficulty that the State Government succeeded in including the textile industry in the schedule of minimum wages. Thereafter the Government of Ajmer appointed a Committee, the Minimum Wages Committee, which fixed the minimum wages for labour who have been subjected to exploitation at the hands of the industrialists for a considerable period. It has very recently fixed the minimum wages at Rs. 56 which, as far as I know, are the lowest in any part of the country. And still, the industrialists have questioned the validity of the findings of the Minimum Wages Committee in the High Court. They failed there and the matter is now before the Supreme Court. Not only this. One of them has declared a lock-out on the ground that the industrial concern will not be able to pay the minimum wages. As far as my information goes, this is a concerted move on behalf of all the industrial concerns of our State.

They want to make it a test case. It is in fact a challenge to the Government of my State. They have declared a lock-out with the result that 1,500 or more labourers have gone out of employment.

Shri Bansal: Which State is that?

Pandit M. B. Bhargava: Ajmer. This is the condition that has been prevailing since the 1st of April this year, with the result that about 1,500 of them have been reduced to unemployment, and the question is the State government of Ajmer has already moved the Central Government that action be taken under this Act and the management may be taken over by the Government.

This is not the only instance of this attitude of the industrialists. On a previous occasion also, there was a labour dispute on the question of payment of wages and then a lock-out was declared. The award given by the arbitrators fixing the minimum wages at Rs. 42 was openly flouted and the Government found it incapable of implementing the provisions of the award, with the result that labour was being paid up to the 1st of April at the rate of Rs. 27 per month only.

Now this is the position that has been created. As far as our information goes, this is not a solitary instance in regard to particular industrialists—the Vijay Cottons Mills at Vijayanagar. This is a concerted move on the part of the entire industrialists of the State of Ajmer, and they think this is a test case. If the Government takes over the management and runs the industry and pays the minimum wages at this rate, it will be good; otherwise they think that the State's Minimum Wages Committee which fixed the minimum wages must go to dogs, with the result that either the labourers will remain unemployed or they will have to be paid only at the existing rate of Rs. 27. If in this particular case the Government is unable to take over the management of this industrial concern, the result will be that not only these 1,500 labourers but about 10,000 labourers working in all these four mills will have either to go out of employment or will have to drag on their existence at the lowest possible rate of Rs. 27 or Rs. 30 per month. This is a very important and serious problem and I submit that the provisions of this clause which enables the Government to take over the management of these concerns on the ground of detriment to public interest should be applied. There can be no better and striking example where the public interest is in jeopardy inasmuch as 10,000 or more

labourers will either be reduced to unemployment or it will perpetuate an intolerable exploitation of labour at the hands of the industrialists. This is also a challenge thrown by the capitalists in my State to the very power of the Government. My State is in a miserable state inasmuch as it has got no Consolidated Fund of its own. It has to look to the Central Government for protection and, therefore, it primarily depends upon the Central Government whether it will accept this challenge thrown by the capitalists and industrialists in my part of the country and take over the management. So far as the labourers are concerned, their position is absolutely clear. They say that this is an economic unit, that it can be run on sound economic lines, even paying them at the rate of Rs. 56. But they have by a unanimous resolution agreed that in case the Government takes over the management and finds that it cannot be run on profitable lines by paying wages at this rate, they will accept lower wages from the Government management even at the existing rates, till the industry has been brought on sound lines and is made to run in an economic and profitable way. They will certainly like that the industrialist is not allowed to exploit them any further, and if the Government after taking over the management finds that such minimum wages cannot be paid, they will be glad to work at lower rates. But, according to their idea, according to their facts, it is only the greed and avarice of exploiting the labourer that is at the bottom of this mischief. I have already represented this matter to the hon. Minister and he has been very, very sympathetic. He knows that this is the difficulty. Under the provisions of this clause as it stands, it does not make it compulsory that the Government should take over a concern only if it is found by the investigating agency as an economic unit. My submission is, that even if it may be necessary, the investigating agency may again go through it. Last time when such an enquiry was made, labour was given no chance; they did not know whether anybody had come to make such an investigation. They had no chance to put their part of the case before the investigating agency; and their case is, the industry concerned, if properly managed, can be run even at the rate of minimum wages fixed by the Government. My submission is that it is a very important matter and if this Bill cannot provide any remedy for such a State of affairs, then it is no use its being brought on the Statute Book. In fact if our Government is sincere and wants that industrial production may not be im-

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peded, every industrial concern, whether at present it is run on economic lines or not, must be continued to be on its legs and the Government should have enough resources, financial and technical, at its back to take over these concerns and to run them on sound economic lines. If even in such a case no action is taken, then my respectful submission is that there will be no use of a measure of this type and character. I hope the hon. Minister will take into consideration the particular facts. As far as my information goes, the Provincial Government has already represented to the hon. Minister the necessity and the expediency and unless the Central Government comes to its aid, it will be hopeless and thousands of labourers will have to drag on a miserable existence and will be subject to exploitation for a considerable period. My submission is that the Government should take over all such concerns which are not working on economic lines and for this it is essential that the management alone should not be in the hands of the Government but the Government must have enough financial resources to invest and take over the management. In the amended clause it has been provided that even after five years if the Government is of the opinion that it is in the interests of industrial production the industry concerned should continue to be under the management and control of Government, then Government can continue to be in management for over five years and a notification to that effect will be placed before Parliament. I think this amendment also shows that the Government realise the necessity and expediency of the thing and in this contest the situation in Ajmer cannot be lost sight of. This is all I have to say.

✓ **Shri G. D. Somani (Nagaur-Pali):**

I would like to make a few observations about this clause about which I have also made some points in my minute of dissent. I am not opposed, in certain cases of mis-management, to the taking over by Government of industrial units, but opposed only to the drastic amendment in the procedure that is contemplated in the Bill. ✓ I feel I should draw the attention of the hon. Minister to certain implications arising out of this amendment. The hon. Minister is aware of the feelings of the various commercial bodies on this point. He referred only to the opposition of the Federation of Indian Chambers of Commerce at the time when the amending Bill was placed before the House. He must have subsequently found out how various other organisations are equally

concerned and how such eminent people as Sir Sri Ram and others who appeared before the Select Committee put that difficulties might arise...

Shri T. T. Krishnamachari: That did not convince the Select Committee.

Shri G. D. Somani: The question of convincing the Select Committee does not arise in view of the uncompromising attitude which the hon. Minister adopted on that point. I would like to draw attention to the amendments that have been tabled by my hon. friends Shri Bansal and also Shri K. C. Sodhia in this connection. The whole question is that when you take over the management of any industrial concern, however mis-managed that might be, certain opportunities should be given to them and that before this drastic step is taken, full consideration should be given to whatever representations the party may have to make. I have suggested this not to oppose the taking over of the management by the Government without giving the directions to the industrial unit concerned, but it is only a question of giving some sort of opportunity to the party concerned and also the case, if possible, to be reviewed by the Central Advisory Council. In order to remove the unnecessary uneasiness and a sort of nervousness that has been created in the minds of business people about this amendment being utilised in the way which might hamper the smooth working of the concerns, I think, even at this stage, the hon. Minister should look into accepting the simple amendment put forward by my friend Shri Bansal. The hon. Minister pointed out yesterday the delay that might be involved in calling a meeting of the Advisory Council, where there are about 25 members, all extremely busy people. If that is not possible, I would suggest that a sub-committee of the Council be constituted which might consist of, say, four or five people who might be able to meet at short notice—even 24 hours if necessary—and they may be consulted and taken into confidence before any such drastic action is taken. Moreover, the findings of the investigation should also be made available to the party concerned, who may be asked to give their explanation in regard to the charges that might have been framed in the course of the investigation. The whole point is that there should be no room left for the feeling that injustice might be done and that due to this summary investigation something might be done which may not be called for by the real facts of the situation.

Then, so far as the other provisions of this clause are concerned, I have

nothing much to say. As I have myself pointed out in my note of dissent, I do concede that in cases of gross mis-management, it is in public interest that the management should be taken over by the Government.

In this connection, my friends on the right, Mr. Basu and Mr. Gurupadaswamy made some observations about the managing agency system and said how it has failed to serve the interests of the country. I have no intention at this stage to enter into any controversy with my friends. After all, every system has got its drawbacks and merely because you have something against a very small section of the system concerned, it does not in any way imply that the whole system stands condemned. On the other hand, if my hon. friends will apply their impartial judgment to the vital contributions that the managing agency system has made to our national economy, they will find that but for these managing agents—these much-condemned managing agents—several of our vital industries like textiles, cement or sugar, would not have developed to the extent they have done. Not only have these industries been able to meet the internal requirements of our country, but they have also been able to bring valuable foreign exchange by the export of their surplus.

This is a very important issue in which much can be said, and I have no doubt that the managing agency system is prepared to stand the test of any impartial scrutiny to show what sort of contribution they have made to the national economy of the country, or whether they have failed to do so, as has been sought to be made by my hon. friends.

Shri K. K. Basu: They have outlined their purpose.

Shri G. D. Somani: So far as that question is concerned, the Planning Commission after going through the subject in detail, has assigned a very honourable role for the private sector to continue to make their contributions to the building up of our national economy. Certainly such sort of sweeping allegations seem to be rather, too one-sided.

In this connection I would like to draw the attention of the hon. Minister to the observations made by the hon. the Prime Minister at the last session of the Federation of Indian Chambers of Commerce and Industry that Government wanted the full co-operation of the private sector, that Government wanted production should be increased and nothing will be done to unnecessarily impede the smooth working of the various industries in the private sector. It is in the spirit of that assurance that I would like

the hon. Minister to examine the simple amendments that have been tabled to ensure that nothing will be done by which on the slightest pretext of mismanagement an industrial concern may be taken over without consulting some independent business people who may be knowing the intricate working of that industry. I hope the hon. Minister will even at this late stage examine the implications of this amendment and try to meet the wishes of those who are so much anxious to co-operate with his Ministry to see that our industrial production is maintained at the highest level.

Shri K. K. Desai (Halar): I had no intention to intervene in this debate, but certain observations, though on the face of them very sober and balanced, made by my hon. friend Mr. Somani has induced me to say a few words on this particular clause.

This clause is the most important clause in the Bill before the House. I do not think the Government with all its responsibilities in the matter of industrial production would have come to this House for taking up additional responsibilities had they not found that the planned production that the Planning Commission has envisaged in its report is going to be something on paper, unless certain powers are assumed. Now these powers are being assumed—to take over a unit or units of industry which are being grossly mismanaged or which is managed against the interest of the consumers or the country. As such, I expected that a sober and balanced industrialist like Mr. Somani should have wholeheartedly supported this Bill. Because it must be very clear that in a society which is substantially composed of good people nobody would come forward and say that you must give some sort of licence to a criminal to go away with his crimes. It is in the interest of all good people to have on the Statute Book certain regulations in order to save the honest people from being branded as bad people, because as a result of the utilisation of this power the Government will separate the grain from the chaff.

As the hon. Minister in his reply to the debate said this is not a Bill for nationalisation. This Bill is not going to be utilised for nationalisation. If the country comes to the conclusion that nationalisation is in the interest of the country, the consumer and the economic development, they will straightaway come forward with a measure to that effect. But as far as this particular clause is concerned, it is very essential because we have found that on one excuse or pretext or the other, some people want to coerce the working classes or the State

[Shri K. K. Desai]

for granting certain unnecessary concessions. It is within our knowledge that undertakings are being closed down either to bring down wages or to bring pressure on the Government to reduce the excise duty or some other taxation. Now it is in such patent cases that Government must intervene.

Now, it must be realised by everybody—whether they are industrialists, or big commercial magnates, or anybody—that the justification of the private enterprise in this country will only depend upon the extent to which they serve the overall interests of the nation. No industry, under a democratic set up that we are working will be permitted to work in the interest of individuals or group of individuals. Otherwise, what interest have we got in those industries? The interest which the country has got in the industries is on account of the goods that will be available to the consumer or the working classes. If either of these things is jeopardised by the way in which a unit is being worked, it has to be taken charge of. It must be realised very clearly by the House that most of the industries scheduled are the industries which have been getting continuous protection and that the protection that is being given to these industries is at the cost of the consumer. The consumer and the whole country should have a voice, not merely a theoretical voice, but an effective voice, in the matter.

This is not a Bill in which the question of managing agency arises. The question of managing agency may come up on some other occasion for detailed discussion. But Mr. Somani said that industries would not have come into existence had it not been for the Managing Agency system. Quite so. Maybe. It has served its purpose. Does he mean to imply that under all circumstances whatever has been done during the last two, three or four hundred years must continue? Times are changing. The original managing agents may have been men of merit and technical knowledge. But you cannot say the same thing of their children or of their sons. We are finding in the last couple of years that the managing agents are not giving their services as we ought to get. Now, that is entirely a different issue.

They say, because they know the trend of democratic opinion in the country, "We are not against your taking it over, you must take over the bad managements, after all we are also one with you, but try to do it in our own way". And what is their own way? That they will themselves manage it. That is a proposition which I would not accept. If there is

serious danger to the employment position in the country in the matter of any industry, any unit or group of units, it is the bounden duty of the Government to take it over and run it. What we find in these days is that in the most prosperous times they have made profits. If there is a slight recession and there is loss they close down. I cannot understand this proposition in any shape or form. Do they mean that the thousands of people who have been employed for serving the nation in the matter of production should be sent out at the sweet will of an employer because he is not able to make profits?

I think the time has now come when the trend that we are seeing in such Bills is a very healthy trend in the interests of the country and so I would urge upon the House to accept the clause as it has emerged from the Select Committee.

Shri K. C. Sodhia: I have got my amendment to clause 13.

Mr. Deputy-Speaker: I thought the hon. Member had already explained his position while moving the amendment. Very well. Let him be short and sweet.

Shri K. C. Sodhia: I will be very short.

My first amendment is that the proviso to sub-section (2) of the proposed new section 18A be dropped. It speaks about the notified order. It does not say that the notified order will be issued every now and then. The notified order is to be issued once. I do not know how the Government are going to see whether a particular industry will require only five years or a longer period than that. By a notified order they have said that the industry will be taken over only for five years. If they find that they cannot put things in order within those five years, there will be necessity for a second notified order. There is no provision for a second notified order in the section and therefore the second notified order cannot be issued. The notified order can be issued only once. How are the Government going to see whether in the case of a particular industry they will require more than five years and in other cases they will require only five years? Thus there is a practical difficulty in the issue of a notified order or in its renewal. Therefore my submission is that this proviso which has come out of the labours of the Select Committee and was not in the original Bill should be deleted because it is unworkable.

My second amendment is this. In Chapter III-B in the proposed new

section 18G there is a provision for controlling the prices of purchase and sale. Clause (c) of sub-section (2) of the proposed new section 18G says: "for prohibiting the withholding from sale of any such article or class thereof ordinarily kept for sale". What justification is there for them to withhold the sale or purchase of things at the prices which Government have notified under clause (a). They have section? These people just purchase and sell things at the prices which are notified under clause (a). They have no justification whatever to withhold or order the withholding of sale or purchase of any article. It is an absurd and illogical proposition, and accordingly my amendment is that this clause (c) of sub-section (2) of the proposed new section 18G should be deleted.

These are the two amendments under clause 13. I submit that they are very logical and reasonable and should therefore be accepted by Government.

Shri Bhagwat Jha (Purnea cum Santal Parganas): Most illogical.

Shri K. C. Sodhia: If the House feels they are illogical, then I have nothing to say.

Shri T. T. Krishnamachari: Unfortunately, I am not in the happy position of being able to accept the amendment moved by Mr. Sodhia as I did in the first instance, because I think the two things do not really have any relation. In clause 6 which related to new section 10A the idea was that Government should have power to revoke registration given if registration has been obtained under false pretences. In a matter like that, well, opportunity can be given to the party concerned to be heard. That is why I accepted the amendment of the hon. Member Mr. Sodhia, because nothing will be lost by giving an opportunity and it was also our intention that rules must be made to give an opportunity to such persons to explain their conduct and also to disprove any suspicion that Government might have that licences might have been obtained under false pretences. There, what I intended to provide by rules the hon. Member wanted me to put into the body of the statute, and I had no objection.

But in regard to the point that he has raised here, namely that the proviso to sub-section (2) of the proposed new section 18A should be dropped, this has been considered at great length by the Select Committee. Of course what he says is that the original sub-clause (2) provides that a notified order shall have effect for

such period not exceeding five years as may be specified, and he asks what is to happen if it is for a shorter period. Very possibly if the legal advice is that the notified order is for a shorter period, Government will issue the order for five years and then revoke it under the provisions of this amending Bill. Or alternatively, even if we issue it for two years, the proviso gives Government the power to renew the notification from time to time. I think it is a lacuna which the Select Committee very rightly pointed out to Government. With regard to the point that all that the Government have to do is only to look after these industries for a period of five years and that after five years everything will be all right, it may be that even after five years Government's care might be needed in the case of certain industries. Undoubtedly we are dealing with a hypothetical problem. But in a Bill like this most of these problems are hypothetical. If industries are well managed, none of these provisions would be invoked but I cannot agree to restoration of the position to what it stood before the matter was referred to the Select Committee in view of the very considered opinion of the Select Committee which I believe has a lot of force and which I feel is bound to be supported.

The other amendment of Mr. Sodhia is to clause 13 of the proposed new section 18A that before taking over, the Government should consider the representations made. The point really is, my hon. friend looks at it purely from a very narrow and legal point. His legalistic mind undoubtedly is offended by any kind of control, any kind of decision by Government without the matter being made capable of adjudication in a court of law. Here is a position in which we envisage that where we will have an investigation, we find that the results of that investigation reveal that quick action is necessary, directions cannot be given, no time could be lost in examining the matter by the Central Advisory Council. Under such circumstances, Government invokes the provisions of section 18A. Under these circumstances there is no point in putting a further hitch and say after considering representations received, "well, if we consider the representations, probably the time lost thereby might ruin that particular industrial unit". I am saying almost from the beginning that, clause 13, whatever it contains, 18A to 18G are the real essence in this amending Bill and I have been in my initial speech, in my reply on the Select Committee motion, in my speech yesterday morning and thereafter, labouring this point. My

[Shri T. T. Krishnamachari]

hon. friend, Mr. Sodhia, would not understand it. I am afraid I must confess only to my inability to express myself very clearly at any rate to be understood by Mr. Sodhia. Mr. Somani raised some points to which my hon. friend, Mr. Khandubhai Desai has given a very effective reply. Mr. Somani is again persisting in a position which he took in his minute of dissent. That also deals with the amendment moved by my hon. friend Mr. Bansal. Somehow or other some kind of hitches must be created so that Government cannot act quickly. That is the basis of these amendments. What I am saying is, if you create a hitch at a time when I have to act quickly, well, you are practically nullifying the provisions of this amending Bill and I have said repeatedly, and I do not consider it is worthwhile repeating what I said, that it is only in the case of an emergency that the provisions contained in the amending Bill would be invoked and not in the ordinary course. Therefore what is the use of saying, "Well, you declare it is an emergency, you can do it, please put it in and say it is an emergency". As I said yesterday, I am not a free agent, the Ministry is bound to this House, hon. Members have got remedies against which I cannot escape and the remedies can be utilised in the proper time. I have got to prove that every occasion is an emergency where these powers are invoked.

✓ Then, Mr. Gurupadaswamy's amendments more or less, may I say with due deference to his good intentions, have been borrowed largely from the idea put forward by my hon. friend, Dr. Mookerjee. He said the Government should consider some kind of Board of Management for such industries. I said "yes". My mind has ✓ been running in that direction itself. Supposing we do take a number of industries. Then the problem becomes a pressing one that we should have some kind of a Board of Management. But then he has taken that idea, that form, clothed it and put on a *pugree* to it and all kinds of things. Now he says, "you accept it, this is my idea". The circumstances which should necessitate my accepting an amendment of this nature are that there must be a number of industries which would ultimately be managed in such a manner that they will invoke the provisions under section 18A. Then Government will have to act, take them over, then fight, for they have not got the personnel to manage them in the normal way, then create a Board of Management—all these factors will have to operate before I could even entertain a proposition.

By creating a Board of Management, you have to pay the officers Rs. 2,000, you have to find office establishment for them, typists, PAs, equipment and all that in the hope that industries will be 'mismanaged'. These are all factors which have to be considered from an administrative point of view but my hon. friend would want me to accept that proposition.

11 A.M.

The other point is you should not hand it over to the managing agency firm, and that links up with the proposition that Mr. Basu put forward. I am not to defend managing agents or to condemn them. My hon. friend, Mr. Khandubhai Desai very rightly pointed out that the proper place where criticism in regard to managing agents can be made is when that amending Bill in respect of the Company Law is before the House and I hope it will be before the House before long. At that time, this point can be raised. If there is going to be no good management, I shall not have the managing agency used but if, on the other hand—there are good managing agents and bad managing agents—I come across a good managing agent, I do not see any reason why I should not make use of him. After all, all managing agents are not bad. All Members of Parliament are not bad, all Members are not good.

Shri Nambiar (Mayuram): *Prima facie* all Members are good.

Shri T. T. Krishnamachari: All Members are good until you prove that some are bad. Every man is supposed to be honest. We are all good unless we prove that some are bad. Look at these managing agents in the same way. If a managing agent is bad because of his act, I have to invoke the provisions of section 18A. I must say in fairness that there are some managing agents in this country still who are operating companies which are under their charge in a very objective manner. I do not want to name them because that will be importing invidious distinction and I certainly, in a very specialised field, make use of them. I do not want my hands to be fettered so that in a very specialised field, where I have not got anybody else. I cannot make use of a good managing agent who knows the job. Therefore I am afraid these ideas of putting restrictions, as I said yesterday, defeat the purpose. If I cannot use of a particular managing agent for a particular purpose, I will probably not take over the industry.

That takes me to the point raised by my friend Pandit Mukat Behari Lal Bhargava from Ajmer. I know he has some local problems in mind. I do not want to deal with them because I have heard there are two sides to that problem but I would again mention here that there is no point in the Government going on taking over a number of useless decrepit old ducks and say, "Well, 18A is not working, they have to be dealt with in a different angle". In the case of these lame ducks which can not be run, we must probably ask some Reconstruction Corporation to have their capital written down. We must acquire powers under the Companies Act for this purpose.

An Hon. Member: They are so badly managed.

Shri T. T. Krishnamachari: They are so badly managed that capital has got to be written down so that we can pump in a little capital. Cannibalise them; it can be done. For 25,000 spindles, 11,000 spindles may be given; and destroy the rest. If you cannot employ 1,500 persons, employ at least 800. These are problems which have to be looked after from each industry's point of view. I cannot merely say what Pandit Mukat Behari Lal Bhargava has said. If we do not use the provisions of this Act to the four textile units that exist in Ajmer, well, I can as well not pass it. These are all speaking in absolute terms which I may not accept as being relevant. We can never speak of industrial units in absolute terms. It may be that you can apply, you cannot apply. There may be other legal difficulties. Even the structural difficulties we can never forget. There is a mill in Madras called Choolai Mills. That remains closed for probably ten or eleven years.

An Hon. Member: 35 years.

Shri T. T. Krishnamachari: It is closed for ten years. I know a little more about it than my hon. friend. It cannot be reopened because machinery is completely old. In this case I cannot very usefully use section 18A. Other conditions being equal, if an industrial unit is good, it can be managed. If it is not managed well, production will suffer and section 18A will be invoked. Otherwise, it is not my intention to saddle the Government with all kinds of decrepit, old, lame ducks and say ultimately that this particular Act has failed. Therefore, I sympathise with the difficulties that my hon. friend Pandit Mukat Behari Lal Bhargava feels in regard to the position in Ajmer for which we have to do something. We cannot altogether ignore the position. But, the

method that we have to choose may be something else; not this particular Act. If this Act can be used and the people can be told that we will invoke the provisions of this Act and you will have to manage properly, we will certainly do so. Otherwise, I will have to choose some other method. But, I do not think this will fit in with the cases that he has in mind.

I think I have dealt with all the speeches made on the several amendments barring my own amendments.

Shri K. C. Sodhia: There is one amendment regarding part (c) of subsection (2) of section 18G. What about that? Nothing has been said.

Shri K. K. Basu: What about handing over to shareholders?

Shri T. T. Krishnamachari: The clause says "for prohibiting the withholding from sale of any such article or class thereof...". My hon. friend wants that Government should not do it: is it? I am afraid, it forms an integral part of the whole clause. There is nothing to be said about it.

This question of shareholders is coming up like King Charles' head. The point is, we must be free to do what is most proper at that time. Very possibly, that is one of the methods to do. The managing agent may not be available. The term 'owner' has been sufficiently elastically described. It may be that we will have to call for a shareholders meeting and hand it back to them. It may not always be the case that the managing agent or the director will be available. But, that does not mean that I should tie myself up to do the one thing that my hon. friend thinks is the wisest thing. I agree he is wise; but I do not think that he is that much wise to anticipate that which is going to happen five years hence. I am afraid I cannot accept the amendment.

Mr. Deputy-Speaker: I shall first put the Government amendments and then the other amendments.

The question is:

In clause 13, for clause (d) of subsection (2) of the proposed new section 18G, substitute:

"(d) for requiring any person manufacturing, producing or holding in stock any such article or class thereof to sell the whole or part of the articles so manufactured or produced during a specified period or to sell the whole or a part of the articles so held

[Mr. Deputy-Speaker]

in stock to such person or class of persons and in such circumstances as may be specified in the order;"

The motion was adopted.

Mr. Deputy-Speaker: The question is:

In clause 13 in sub-section (3) of the proposed new section 18G,—

(i) for "the whole or a specified part of the stock of any article or class thereof" substitute "any article"; and

(ii) in clause (a), after "can" insert "consistently with the controlled price, if any."

The motion was adopted.

Shri Bansal: Before you put the other amendments, I beg leave of the House to withdraw my amendment.

The amendment was, by leave, withdrawn.

Shri K. C. Sodhia: There is a saying that you said 101 things and I accepted nothing. If that is the attitude, well, I think it is no use putting forth my amendments to the vote of the House.

Mr. Deputy-Speaker: All right. A proper motion has not been made for withdrawing the amendments. I will put them to the House.

Shri K. C. Sodhia: I withdraw.

Mr. Deputy-Speaker: Has the hon. Member the leave of the House to withdraw his amendments?

Some Hon. Members: Yes.

Shri K. K. Basu: No, no. We oppose that.

Mr. Deputy-Speaker: I am sorry, the hon. Member has not got the leave of the House to withdraw. Even if one hon. Member opposes, I will have to put them to the House. I now put to the House all the other amendments moved by the hon. Members. The question is:

In clause 13, in sub-section (1) of the proposed new section 18A, before "the Central Government" insert "after considering any representation made".

The motion was negatively.

Mr. Deputy-Speaker: The question is:

In clause 13, in the proposed new section 18A, omit the proviso to sub-section (2).

The motion was negatively.

Mr. Deputy-Speaker: The question is:

In clause 13, in the proposed new section 18G, omit part (c) of sub-section (2).

The motion was negatively.

Mr. Deputy-Speaker: The question is:

In clause 13, omit the *Explanation* to proposed new section 18A.

The motion was negatively.

Mr. Deputy-Speaker: The question is:

In clause 13, before the proposed new section 18A, insert:

"18A. There shall be a Central Management Board consisting of a Chairman and eleven members appointed by the Central Government of whom two shall be representatives of organised labour and not less than two shall be economists."

The motion was negatively.

Mr. Deputy-Speaker: The question is:

In clause 13, in sub-section (1) of the proposed new section 18A, for "any person or body of persons" substitute "the Central Management Board".

The motion was negatively.

Mr. Deputy-Speaker: The question is:

In clause 13, in sub-section (1) of the proposed new section 18A, omit "the whole or any part of" wherever it occurs.

The motion was negatively.

Mr. Deputy-Speaker: The question is:

In clause 13, omit *Explanation* to proposed new section 18A.

The motion was negatively.

Mr. Deputy-Speaker: The question is:

In clause 13, omit clause (c) of sub-section (1) of the proposed new section 18B.

The motion was negatively.

Mr. Deputy-Speaker: The question is:

In clause 13, to the proposed new section 18F—add:

"Provided that when the industrial undertaking which is taken

control or possession of is a company incorporated under the Indian Companies Act (Act III of 1913), the possession thereof shall be handed over to the shareholders or their nominees in a manner to be determined by the shareholders in a special general meeting convened for the purpose."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

"That clause 13, as amended, stand part of the Bill."

The motion was adopted.

Clause 13, as amended, was added to the Bill.

Clauses 14 to 17 were added to the Bill.

Clause 18.—(Amendment of section 30)

Shri K. K. Basu: My amendment is very short and simple. As can be seen from all the speeches made in the different sections of the House, the only apprehension is about the working of the Act. They feel that the Government might overstep the limits which they may have in mind. The only thing I have suggested is, as in the case of extensions where specific provision has been made that all notifications should be laid on the Table of the House, all notifications under this particular legislation should be placed on the Table of the House. This will give an opportunity to the House, if it so chooses, to discuss this matter. That is the only point. I beg to move:

In clause 18, add the following sub-clause (2):

"(2) In section 30 of the principal Act, after sub-section (4) the following new sub-section (5) shall be inserted:

'(5) All notifications made hereunder be placed on the Table of the House as soon as may be.'"

Shri T. T. Krishnamachari: I can certainly give an assurance that as far as possible all notifications that we issue will be placed on the Table of the House. But, this amendment does not fit in with the section. Section 30 provides for rule making powers and there is provision in sub-clause (4) that all rules made under this section shall be laid before Parliament. But, I cannot see how a clause of this nature can be fitted into the Act in the rule-making powers, under the original sections of the Act. I can give an assurance generally

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that any action that I take in this regard, I shall certainly inform the House, but without any statutory obligation therefor. It can always be done; I can always keep the House informed. I would ask the Ministry to make a note of it that we should inform the House of every notification that we issue. But, I do not think I can accept this amendment because it is not germane to section 30 of the original Act.

Shri K. K. Basu: In view of the assurance, I do not press my amendment.

Mr Deputy-Speaker: I have not formally placed the amendment before the House. I shall put the clause to the House. The question is:

"That clause 18 stand part of the Bill."

The motion was adopted.

Clause 18 was added to the Bill.

Clause 19.—(Amendment of First Schedule)

Dr. Jatav-vir (Bharatpur-Sawai Madhopur—Reserved—Sch. Castes): I beg to move:

In clause 19, in part (a) (viii), in item "(25)" add at the end, "including shoes".

Shri K. K. Basu: I beg to move:

In clause 19, in part (a) (xi), after item "42", add the following new items:

"(43) Shellac and its produce.

(44) Mica and its produce.

(45) Tea.

(46) Coir industry.

(47) Matches.

(48) Tobacco including cigarettes.

(49) Oil refinery and its produce including petroleum."

Mr. Deputy-Speaker: Amendments moved:

(i) In clause 19, in part (a) (viii), in item "(25)" add at the end, "including shoes."

(ii) In clause 19, in part (a) (xi), after item "42", add the following new items:

"(43) Shellac and its produce.

(44) Mica and its produce.

(45) Tea.

(46) Coir industry.

(47) Matches.

[Mr. Deputy-Speaker]

(48) Tobacco including cigarettes.

(49) Oil refinery and its produce including petroleum."

Both the Clause as well as the amendments are now open for discussion.

डा० जाटवबीर : इस सदन में जो प्रवर समिति विकास उद्योग बिल के ऊपर बनी और उसने बड़े परिश्रम से जो विधेयक तैयार किया है उसके लिये मैं उनको धन्यवाद देता हूँ और विशेष कर अपने उद्योग मन्त्री को जो कि चर्म उद्योग से काफी परिचित हैं। जब मैं उनके आर्टिकल चर्म उद्योग के विषय में देखता हूँ तो मेरा हृदय गदगद हो जाता है। किन्तु जब हम चर्म उद्योग की अवनति को, उसके पतन को, देखते हैं तो मैं कह सकता हूँ कि कोई भी इस सदन का सदस्य ऐसा नहीं है जो यह न चाहता हो कि इस उद्योग की उन्नति हो और इसका विकास हो।

मैं ने अपने गत भाषण में यह बतलाया था कि भारत का जो कच्चा चमड़ा विदेश को भेज दिया जाता है उस की कीमत पांच वर्ष के अन्दर एक करोड़ प्रति वर्ष से दस करोड़ प्रति वर्ष तक हो गई है। जो चमड़ा प्रतिवर्ष भारत से बाहर भेजा जाता है उसके ऐश्वर्य में जो तैयार माल उसी चमड़े का आता है उसकी कीमत आठ गुनी हो जाती है और भारत का आठ गुना रुपया विदेशों को चला जाता है। मैं माननीय मन्त्री महोदय को बतलाना चाहता हूँ कि हाइड्रस और किन अर्थात् जो कच्चा चमड़ा बिलायत जाता है वहाँ उसके बुरादे का भी बन्दोल बनाते हैं जो कि जूतों के बनाने के काम में आता है जो उनको बिना कीमत पड़ता है, उसे भारत को बन्दोल के रूप में लाकर भेजते हैं, कच्चे माल की कीमत से भी अधिक कमा लेते हैं।

Shri T. T. Krishnamachari: If my hon. friend will permit me to inter-

rupt, I am told by my legal advisers that leather goods include shoes.

Shri K. K. Basu: He emphasises on 'shoes'.

डा० जाटवबीर : मैं उनको धन्यवाद देता हूँ कि उन्होंने लेदर गुड्स को शामिल कर लिया है। लेकिन मेरा ऐमेन्डमेन्ट है कि "इन्क्लूडिंग शूज".....

उपाध्यक्ष महोदय : वह बोल रहे हैं कि शूज भी आ जाते हैं।

डा० जाटवबीर : यदि यह शामिल है तो आप इस को भी रख लीजिये, मैं समझता हूँ कि उन को मेरे ऐमेन्डमेन्ट को स्वीकार कर लेना चाहिये।

Mr. Deputy-Speaker: What he says is that shoes are already included in 'leather goods'.

Shri K. K. Basu: He emphasises 'shoes'.

डा० जाटवबीर : इस में कोई सन्देह नहीं है। लेकिन मैं चाहता हूँ कि जूता शब्द भी जोड़ दिया जाय क्योंकि जूते का काम करने वाले आजकल बहुत दुखी हैं और त्राहि त्राहि कर रहे हैं।

उपाध्यक्ष महोदय : इस में जूता भी है।

Shri Nambiar: Even then, he wants to include it.

Mr. Deputy-Speaker: It is already included. Are the workers also to be included in this Bill?

Shri Nambiar: That is only for emphasis.

डा० जाटवबीर : मैं आपको बताना चाहता हूँ कि आज से पांच वर्ष पहले आगरा नगर में और कानपुर नगर में जूते का काम बहुत ज्यादा होता था, अब ११४ भी नहीं है। आगरा नगर में ३५ हजार जोड़े जूते प्रतिदिन बनते थे वहाँ आज उनकी संख्या १० हजार रह गयी है। इस उद्योग का इतना पतन हो गया है कि वहाँ के कारीगरों के मकान बिक गये हैं, जेबरात बिक गये हैं और अब उनके भूखों मरने की नौबत

आ गई है। तब मैंने यह शब्द "जूता" का जोड़ दिया है, ताकि जूते की समस्या पर भी विचार किया जाय। इसी के साथ रा मैटीरियल का प्रबन्ध भी ठीक नहीं है। चिगल जो जूते में लगता है और जो एक रुपया पाउण्ड की चीज़ है वह ब्लैक मारकेट में १५ रुपया पाउण्ड मिलती है। आजकल जूते के दाम गिरते चले जा रहे हैं और बीच के दलालों का काम बनता है। इस समस्या पर बोलते हुए मैं अपने उद्योग मन्त्री जी का ध्यान इस ओर दिलाऊंगा और इसी लिये मैंने शू का शब्द जोड़ा है कि मैं उनको बताऊं कि इसके पतन का क्या कारण है और इसीलिए मैंने अपना अमैंडमेंट दिया है।

उपाध्यक्ष महोदय एक तो मैं यह कहना चाहता हूँ कि यहां से कच्चा चमड़ा विदेशों को न भेजा जाय और उसका हमारे देश में ही टैनिंग किया जाय ताकि जो जूता बनता है वह सस्ता पड़े। इस देश की ज्यादा से ज्यादा आबादी ३४ करोड़ है। श्री गाडगिल साहब ने एक स्कीम बनाई है कि हम इन ३४ करोड़ आदमियों को जूता दे सकें। वरन्तु आजकल सिर्फ ६ करोड़ आदमी जूता पहनते हैं और २८ करोड़ जूता नहीं पहनते। अगर यह सारे के सारे ३४ करोड़ जूता पहनने लग जाय तो मैं हिसाब लगा कर कह सकता हूँ कि २५ लाख आदमियों को रोजगार मिल जायगा और उनको कम से कम चालीस पचास रुपया महीना मिलने लग जायेगा। इस उद्देश्य को लेकर मेरा कहना है कि हमारे यहां से कच्चा चमड़ा बाहर न भेजा जाय। राजस्थान से भरतपुर, कोटा, बीकानेर वगैरह से कच्चा चमड़ा विलायत भेजा जाता है। मैं चाहता हूँ कि हमारी गवर्नमेंट चमड़े के उद्योग के लिये यहां फैक्टरियां खोले और विकास योजना में इस पर रुपया खर्च किया जाय। दूसरी बात मुझे यह कहनी है कि आज जब कि हमारी गवर्नमेंट घरेलू बंधों पर

इस टैनिंग इंडस्ट्री पर लाखों करोड़ों रुपया खर्च करना चाहती है तब कोई वजह नहीं है कि स्टेट्स के अन्दर इस चीज़ पर सेल्स टैक्स लगाया जाय। अगर हम चमड़ा लेते हैं तो उस पर सेल्स टैक्स लगता है, तो उन पर सेल्स टैक्स और मेडी कुरम टिगल आदि यानी हर एक वस्तु पर उस पर सेल्स टैक्स और जब कारीगर अपने जूतों को डलिया में लेकर बाजार जाता है तो फिर उन जूतों पर सेल्स टैक्स लगता है। जिस चीज़ को कारीगर और उसके बीबी बच्चे मिल कर घोर परिश्रम से बनाते हैं उस पर लगभग दो आना तीन आना सेल्स टैक्स लगाया जाता है। मैं अपने उद्योग मन्त्री से कहूंगा कि यदि वह इस जूते की इंडस्ट्री को विकास देना चाहते हैं तो उनको चाहिए कि वह ऐसे प्रान्तीय सरकारों को आदेश भेजें कि इस तरह से सेल्स टैक्स न लगाया जाय जिससे अदा न होने पर कारीगरों के मशीन, औज़ार फरमे, छप्पर, घर और बासन तक कुर्क हो जाते हैं। जल्दी से जल्दी कुटीर बंधों पर सेल्स टैक्स समाप्त हो।

तीसरी चीज़ डिस्ट्रिक्ट बोर्ड का टैक्स है। जहां किसी कारीगर ने बेगार नहीं दी वहां उन्होंने उस पर ३० रुपया ४० रुपया टैक्स लगा दिया। अगर नगर में आज से कुछ वर्ष पहले जब कि हमारी गवर्नमेंट नहीं थी टैनिंग की नावों पर १) लाइसेन्स फीस थी। आज यह द्वेष भाव से ३० गुना बढ़ा दी गई।

Mr. Deputy-Speaker: All that is not relevant.

डा० जाटवधीर : मैं जूते की समस्या के ऊपर ही बोल रहा था। तो मैं यह कह रहा था कि जिस सरकार को हम अन-पापुलर गवर्नमेंट कहते हैं उसके वक्त में एक रुपया टैक्स लगता था और अब हमारी सरकार आयी जो कि हरिजनों का उद्धार करने

[डा० जाटववीर]

वाली है, चमड़े के उद्योग को प्रोत्साहन देने वाली है, जिला बोर्डों ने एक रुपये की जगह तीस रुपया टैक्स लगा दिया। बतलाइये यह कैसी पामुलर गवर्नमेंट है। मैं उद्योग मन्त्री जी को बतलाना चाहता हूँ कि मैंने इस विषय पर उनके आर्टिकल पढ़े हैं। उन्होंने इस विषय को स्टडी किया है। मैं इस विषय पर काफी बोलना चाहता हूँ। मुझे समय दीजिये।

इसके अलावा मैं आपको यह बताना चाहता हूँ कि प्रत्येक स्टेट में, यानी राजस्थान, मध्य प्रदेश, मध्य भारत, पूर्वी पंजाब आदि में टैनरीज कायम कीजिये। और चमड़े को यहीं डेवेलप कीजिये। दूसरी बात मैं यह कहना चाहता हूँ कि जूतों के रेट्स मुकर्रर होने चाहियें। आपने जो लैडर गुड्स के बारे में कहा उससे मैं प्रभावित नहीं और मुझे बड़ी प्रसन्नता हुई कि सरकार का ध्यान इस तरफ हुआ। लेकिन ऐसा न हो कि नाम तो जूते वालों अथवा हरिजनों का हो और काम सवर्ण साहब का हो और वे बेचारे कारीगर ताकते रह जायें। मैं देखता हूँ कि आपने सिलेक्ट कमेटी में साक्षी के लिये बाटा को बुलाया और आल इंडिया मैन्युफैक्चरर्स एसोसियेशन को बुलाया, श्री श्रीराम जी देहली आल इंडिया मिल एसोसियेशन को बुलाया लेकिन मुझे खुशी होती यदि आप छोटे कुटीर उद्योग वालों में से एक हरिजन को भी गवाही देने के लिये बुलाते। मुझे बुलाते बंगाल लैडर एसोसियेशन के प्रधान श्री रामानन्द दास M.P. को बुलाते। मैं चाहता हूँ कि जो उद्योग बोर्ड बनाया जाय उसमें इन छोटे कुटीर धंधों वाले लोगों में से भी एक आदमी को रखा जाय। हरिजन भाई ६ करोड़ हैं जिनमें से १/४ करोड़ इस काम को करते हैं। इन में से

भी एक आदमी जरूर होना चाहिए। तभी कुटीर उद्योग को प्रोत्साहन मिलेगा।

दूसरे मैं यह हृदय से चाहता हूँ कि इस उद्योग का राष्ट्रीयकरण किया जाय और इससे इन लोगों को मदद मिले लेकिन ऐसा न हो कि दूसरे लोग बीच में ठेकेदार बं दलाल बन जायें और लाभ उठावें पर रुपया हरिजनों के नाम लिख दिया जाय। जो चमड़े के काम करने वालों का एसोसियेशन है उस में से आप किसी को लीजिये उन्हीं के आधार पर उनको ग्रांट दीजिये जैसा कि यू० पी० सरकार ने किया है। और यह काम सहकारिता के आधार पर होना चाहिये। मैं तो चाहता हूँ कि राष्ट्रीयकरण हो जाय तो बहुत अच्छा हो। इसका विकास सहकारिता के आधार पर किया जाना चाहिए। जूतों का दाम कंट्रोल होना चाहिए। अगर कंट्रोल हो जायेगा तो आपके इंस्पेक्टर जो जनता का कोई लाभ कर सकें, अपना काम ठीक से कर सकेंगे।

उपाध्यक्ष महोदय, एक बात मैं और कहना चाहता हूँ, उपाध्यक्ष महोदय जिसमें मैं उद्योग मन्त्री की सिफारिश चाहता हूँ। पहले सरकार पुलिस और मिलिटरी के लिए काटेज इंडस्ट्री यानी घरेलू कारखाने से जूते लिया करते थे। लेकिन आज हमारी सरकार जो कि काटेज इंडस्ट्रीज को प्रोत्साहन देना चाहती है वह बाटा और फ्लैक्स वगैरह कम्पनियों से यह सामान लेती है। मैं चाहता हूँ कि अगर काटेज इंडस्ट्रीज को प्रोत्साहन देना चाहते हैं तो घरेलू कारखानों से पुलिस और मिलिटरी के लिये जूते खरीदिये। इसमें आपको जूता सस्ता भी मिलेगा। पुरानी सरकार भी काटेज इंडस्ट्रीज से पुलिस और मिलिटरी के लिये जूते खरीदा करती थी। मैं चाहता हूँ कि हमारे उद्योग मन्त्री डिफेंस और पुलिस मन्त्री से यह सिफारिश करें कि वह

काटेज इंडस्ट्रीज से पुलिस और मिलिटरी के लिए जूते खरीदें। मैं रक्षा मन्त्री, पुलिस मन्त्री का ध्यान आकर्षित करता हूँ।

उपाध्यक्ष महोदय, थोड़ी बात मुझे और कहनी है। वह यह है कि मारकेटिंग सिस्टम ठीक होना चाहिए। इन्हीं कारखाने वालों की दुकानें हों, सरकार की उसमें सहायता हो। जो बड़े बड़े लोग हैं वह विलायत से माल खरीद लेते हैं और छोटे लोगों को नहीं मिल पाता। यह काम सहकारिता के आधार इन्हीं कारीगरों पर होना चाहिये ताकि सब को सस्ता माल मिल सके और जूता सस्ता हो। श्रीमान् जी, यह भारत का बहुत बड़ा उद्योग है। कोई पुरुषसदन इस में ऐसा नहीं है जो कि बिना जूते के हो। यहां पर जो हमारे पंडित मालवीय जी बैठे हैं उन्होंने यू० पी० में इस काम के लिये डेढ़ लाख रुपया खर्च किया था, उसका कोई फल नहीं रहा। लेकिन हमारे सीमाग्य से या दुर्भाग्य से वह अब यहां चले आये हैं और एजुकेशन मिनिस्ट्री में हैं और यू० पी० के अन्दर वह काम चलना बन्द हो गया। ठीक प्रोत्साहन न मिला।

श्री० रणबीर सिंह: यहां भी बजीफे दे रहे हैं।

श्री० डी० मालवीय: काम तो अब भी खूब चल रहा होगा।

डा० जाटव बीर: आखिर मैं मैं यह कहूंगा कि मुझे आशा है कि जो कुछ मैंने कहा है उससे हमारे उद्योग मन्त्री जी सहमत होंगे कि जूता एक ऐसी चीज है जो कि मनुष्य समुदाय में से हर एक के लिये अनिवार्य है। भारत का यह सबसे बड़ा उद्योग है। इसके बिना किसी का काम नहीं चल सकता। आप कह सकते हैं कि यह बात विरोधी पक्ष की तरफ से आयी है। मगर यह बात लाभदायक, सच्ची है और सच्ची बात चाहे

किसी तरफ से भी आवे उसे स्वीकार करना चाहिए। इतना कह कर मैं अपना भाषण समाप्त करता हूँ।

Shri K. K. Basu: Mr. Deputy-Speaker, the Bill has been brought forward for the regulation and control of certain important industries in the private sector, but if we analyse the list of industries that have been included in the Schedule, we find that there are still many vital and important industries that have been left out. That means, Government cannot regulate or control them. The other day I suggested that some more additions should be made to the Schedule, so that if the necessity arises Government can take over those industries also, in the interests of overall industrialisation. The hon. Minister stated during the consideration stage that Government were going to have a separate Tea Bill, but after going through the Tea Bill, I must confess that it does not contain enough powers. Under the Tea Bill Government do not have the powers which they have under the present Bill. I know that the hon. Minister himself stated, while speaking the other day, that the tea industry which had seen prosperity for twenty and more years collapsed when some sort of crisis arose. In view of that, we feel that Government should take powers to regulate and control this industry, so that in the days of prosperity when huge profits are made, Government can see how those profits and earnings are properly utilised.

Similarly, in the case of shellac, we have seen that when the export trade was looking up some two or three years ago and the industry was prosperous, the industry made good profits. But all of a sudden, there is a depression in the international market and the industry has collapsed like a pack of cards. There is no other avenue for the utilisation of its products. As a result, a large number of people numbering more than 20,000 have had to be retrenched and thrown out of employment.

[PANDIT THAKUR DAS BHARGAVA in the Chair]

Unfortunately, the entire export trade is even today dominated by European interests and they mop up the profits that are earned by these industries during prosperous times. My simple point is that I want to include shellac, mica, coir and matches in the Schedule.

Regarding matches, foreign interests have established companies in

[Shri K. K. Basu]

India and they go about calling themselves "So and So (India) Ltd." They take full advantage of the tariff concessions that are meant for the development of our national industry. Several times during Question Hour, it has been made clear in what way WIMCO and others are behaving, which ultimately results in throwing out of existence our own national industry in this particular branch.

About tobacco, my hon. friend Mr. Alva pointed out that there is only one cigarette industry which can be called a national industry, and even that is being thrown out by competition from foreign concerns like Imperial Tobacco Co.

The last and the most important industry is oil. We have practically no voice in the oil refineries which have been established. There are today three international concerns which are being permitted by our Government to establish oil refineries, so that they may control the oil market. We have not seen the full text of the agreements, but one thing is certain, that a guarantee has been given to them that for twenty years there would not be any nationalisation, and they have been kept clean out of the operation of the Industries (Development and Regulation) Act. Oil industry is vital from both the industrial standpoint and the security standpoint. Why should it be left out of the purview of this Act, especially when these concerns are practically owned and controlled by American and British agents? Though we have some shares in these concerns, we have no controlling voice in the administration of these refineries. If Government want to regulate and control industries in the private sector and reach the targets laid down in the Five Year Plan, it is of vital importance that these concerns should not be left out and removed from the purview of this Act. I want to enter a caveat against the Government as to why they have deliberately left out these industries. If we want to enforce the spirit of this legislation and make its working effective, it is absolutely necessary that we should have powers to control and regulate industries of this type.

It is obvious that this Bill is not intended for nationalisation, and we accept that proposition. But if you want to regulate and control industries in the private sector in the interests of the nation, you must take powers to control all the vital industries which are owned by private enterprise. Unless you do that, you cannot fulfil the programme laid down

for the private sector in the Five Year Plan. I would therefore urge upon Government to accept the amendments that we have suggested to the Schedule. Only if necessity arises, Government will take action. So, there is no harm if the Schedule is expanded to bring into the scope of this Act all the vital and important industries. Let the Schedule be comprehensive. The hon. Minister has expressed great zeal in his speeches for the industrial development, maintenance and preservation of national industries. I do hope that he will accept the amendments in the spirit in which they have been tabled.

Shri Bansal: I did not want to intervene at this stage, but just for the information of the hon. Member who has spoken before me, I would like to state that most of the commodities which he wants to include in the Schedule are already being controlled by separate statutes. For instance, shellac is dealt with by a Shellac Board set up under the Shellac Act. There is a Mica Board for mica. Of course, there is no Mica Act, but the Mica Board is there and Government control the mica industry effectively through it. Then there is the Tea Board. As you know, the Tea Board Bill is going to be amended. The amending Bill is already before the House. Under all these various Acts Government already possess powers which are far wider than those now envisaged under this Act. (Shri K. K. Basu: No, no.) In view of this, I do not see any reason why these various articles should now be included in the Schedule. There is a Tobacco Board also. An assurance has been given by the hon. Minister that a Board for the coir industry would be set up.

The only commodity that is not covered by any Act is matches. I do not think that it is important enough to be included in the Schedule from developmental point of view, but if the hon. Minister thinks that this industry also must be controlled, I will support any amendment that may be moved.

As regards oil refineries and their products, as the hon. Member himself said, there are only three foreign concerns which have been established here.

Shri T. T. Krishnamachari: Item 6 covers that industry.

Shri Bansal: As the hon. Minister has just now pointed out, item 6 covers that industry, but even if it was not covered, this industry, we should remember, is being regulated by

separate agreements which have been entered into by the Government of India with these companies, and these companies are bound to act under those agreements. And, after all, Government themselves are a partner in those companies, and therefore, I do not appreciate the force of the argument of the hon. Member when he says that this industry will remain without control if it is not included in the Schedule.

* **Shri Venkataraman (Tanjore):** I rise to support my hon. friend Mr. Basu so far as it relates to Tea.

Shri Nambiar: The first of its kind.

Shri Venkataraman: It may be it is the first time when you are reasonable.

When the first Industries (Control and Regulation) Bill was introduced in this House, the Schedule included Tea industry as one of the items to be controlled, and the Select Committee which sat on that Bill carefully considered the Schedule, and then they agreed that Tea should continue to be among the industries controlled. It was then called the Control Bill. After some time, it was re-committed to the new Select Committee, and even when that was done, Government did not propose any amendment deleting Tea and other plantation products from the Schedule. Somehow when the matter was under discussion in the second Select Committee, suddenly wisdom dawned on some people and they wanted to exclude one of the most important industries in this country, viz., the Tea industry. When I took up this point in the Select Committee, where I wrote a Minute of Dissent, and also subsequently in the House, it was said that a new Bill would be introduced which would control and regulate the Tea industry as well as other plantation products. We have seen the sample of the Bill which has been introduced. Originally, the idea was that the most important clauses, viz., 15, 16 and 17—those relating to investigation, giving directions and also taking over control of the particular undertaking—should be made applicable to the Tea industry. Sir, you are well aware of the importance of this industry. It is the largest dollar earner. It employs about a million people. We produce about one half of the total quantity of the world's tea production. In spite of all these things, I do not see why this industry should be kept out of the Industries (Development and Regulation) Amendment Bill. If things like Vanaspathi and toilet soaps or vegetable oils could be brought under this Bill, there is absolutely no reason why

Tea and other plantation products should be excluded.

Now, let me examine how far the new Bill really carries out the intentions of the Industries (Development and Regulation) Amendment Bill so far as Tea is concerned. Apart from clause 30 in the Tea Bill which gives power to Government to control the price.....

Mr. Chairman: Is the hon. Member talking on the Tea Bill?

Shri Venkataraman: I am saying that the Tea Bill does not carry out the intentions of the Industries (Development and Regulation) Amendment Bill, and therefore, I am suggesting that the Tea industry should be included in the Schedule to the Industries (Development and Regulation) Amendment Bill. And in doing so, I am trying to persuade the House that the new Tea Bill which has been introduced does not contain any of the other clauses which are relevant or which are very necessary and urgent in the interests of the development of the Tea industry itself.

There is no power of inspection; there is no power to give any directions under the new Tea Bill, nor is there any power to take over control. These, I consider, are the very important and essential purposes for which the Industries (Development and Regulation) Amendment Bill is brought before this House. Why there should be such a partial treatment in favour of the plantation industry is a thing which passes the comprehension of many of us. It is said that there are two other Acts—the Central Tea Board Act and the Licensing Act—and therefore that stood in the way of the industry being included in the Schedule. Today, you have brought a Bill in which you have not brought any of the important clauses of the Industries (Development and Regulation) Amendment Bill at all. On the other hand, it looks as if.....

Shri N. M. Lingam (Coimbatore): On a point of order, Sir. Is the hon. Member speaking on the Tea Bill or the Industries (Development and Regulation) Amendment Bill?

Mr. Chairman: It is quite clear that he is speaking on the Industries (Development and Regulation) Amendment Bill. He is pointing out that in the Tea Bill the regulations and provisions which are to be found in this Bill are not to be found. It is absolutely relevant.

Shri N. M. Lingam: Will not the proper occasion to discuss the point be when the Tea Bill is taken up?

Mr. Chairman: This is the proper occasion, when a Bill of a compre-

hensive nature regulating Industries is taken up, when this amendment can be made.

Shri Venkataraman: My hon. friends need not be anxious. I will certainly speak on the Tea Bill and say that these regulations should be extended to that also.

Shri T. T. Krishnamachari: Why not reserve it for that?

The Deputy Minister of Defence (Sardar Majithia): Reservation is not good.

Shri K. K. Basu: Do not be interrupted by the Ministers.

Shri Venkataraman: Instead of incorporating these regulations in the Tea Bill, the proper thing for the Government is to include Tea itself in the Schedule to the Industries (Development and Regulation) Amendment Bill. From time to time, the Industries (Development and Regulation) Bill is being amended in the light of various experiences gained with a view effectually to control the several industries. Well, if that has got to be done in respect of soap and vegetable oil, and if Tea is excluded from this Industries (Development and Regulation) Amendment Bill and a separate Tea Bill is introduced, every amendment that is in future sought to be made to the Industries (Development and Regulation) Amendment Bill will have again to be brought to the Tea Bill. After all, the matters which are peculiar to Tea can be disposed of by a separate Bill relating to licensing, i.e., to carry out the intentions of the International Tea Agreement, and except for this there is nothing of much difference between Tea and the other industries sought to be now regulated. I think it is much better for the Government to include Tea in the Industries (Development and Regulation) Amendment Bill, rather than try to introduce some of these clauses into the other Bill, if only because it will avoid in future subsequent amendments being made to the Tea Bill on every occasion in order to bring it in line with the Industries (Development and Regulation) Amendment Bill.

On the last occasion when I made the same point in this House, the hon. Minister then in charge of Commerce and Industry promised that in the new Tea Bill all these clauses would be introduced. There has been a breach of faith so far as that is concerned. The clauses have not been introduced. I want to remind this House—I will certainly do so when the other occasion comes—that so far as the Tea industry is concerned, it is as easy, as capable of regulation, as any other

industry. And we have not been told now what exactly is the reason why the clauses in the Industries (Development and Regulation) Amendment Bill have not been introduced in the Tea Bill. My submission to this House and to this Government is that so far as the Industries (Development and Regulation) Amendment Bill seeks to be an omnibus legislation trying to control several industries at the same time, it would be far better for the Government to include all those industries which they seek to control in one Bill rather than have separate Bills, and then when the separate Bills are taken up, to turn round and say, "This cannot be done, that cannot be done", or "this is not controlled by the Industries (Development and Regulation) Act, and therefore, it is not applicable to the Tea or some other Act". Therefore, I urge very strongly upon the Government to reconsider their view and see their way to accept not merely Tea, but, if possible, coffee and rubber, the main plantation products.

Shri T. T. Krishnamachari: I am afraid I am not in a position to accept any of the amendments moved.

I think, in regard to Mr. Basu's amendment, item No. 6 covers the last item in what he has put in. It probably merely shows that the amendment has been rather hastily framed without any scrutiny of the existing provisions of the Act, and he surely does not want me to flatter him by imitating his method of hastily incorporating in the Schedule various subjects about which Government have not exercised any thought or made any investigation. I must refuse to accept a position of that nature.

In regard to the amendment moved by Dr. Jataw-Vir, as I said in interrupting him, leather goods also include shoes, and therefore the amendment is not necessary. The other matters that he mentioned are not exactly relevant to the amendment before the House. Even if shoes is an item there, whether specifically mentioned or not, the scope of this measure is limited. We have heard an hon. Member here objecting to the omission of clause 4. It definitely indicates that the House wants limitations in regard to the interference in these industries by this Bill, so that small industries need not be interfered with.

Shri K. K. Basu: Proper weightage should be given.

Shri T. T. Krishnamachari: The point really is that most of the units in which my hon. friend Mr. Jataw-Vir is interested are small units. Undoubtedly, what he has said certainly

merits a lot of consideration at the hands of Government but it has got to be done in a different manner; not by amplifying the provision here which already covers the items he has in mind.

In regard to some of the points made by my hon. friend, Mr. Bansal, he adequately covers the ground which has been trodden by Mr. Basu. My hon. friend, Mr. Venkataraman has brought a subject with which I am not exactly unfamiliar. At a later occasion when we take up the Tea Bill—I hope we would be able to take it up sometime during this week—Mr. Venkataraman may have an opportunity to speak on Tea. I do concede that some such provision has to be introduced there but it cannot be on all fours with what is being done here. In a matter like Tea or plantations, it does not fit in exactly on all fours with the requirements, to have it in the Schedule of this Bill. When we have a separate Bill for controlling that industry, the proper place to put those provisions would be that Bill.

Shri Venkataraman: Then, why not have them there?

Shri T. T. Krishnamachari: My hon. friend need not be hasty. He must allow that there are other practical difficulties as I said. I will mention them when we take up the Tea Bill. There are some practical difficulties in regard to putting these provisions in the Tea Act and I shall probably deal with it on the proper occasion and I do not think that I can utilise these provisions for the Tea Industry as it now exists, in spite of the fact that there are also other difficulties about which I would not mention here, even though we find this very strange spectacle of a Member on my side volunteering to support a motion from the other side.

Shri K. K. Basu: Good sense has dawned on him.

An. Hon. Member: It might be on you; both might be correct.

Shri T. T. Krishnamachari: In fact I am afraid I have to counsel my young friend to have more patience. Everything has to be judged in proper time. We will have ample opportunities to speak on the Tea Bill. In this matter, I do hope to be able to convince him when he speaks, but this is not the time or the occasion for raising this question. I am afraid I cannot accept the amendments moved.

Shri K. K. Basu: Is it the hon. Minister's contention that even with shellac and other things we have the same provisions as provided hereun-

der with regard to the Constitution of the Board and its functioning.

Shri T. T. Krishnamachari: My contention is something very simple. I am not going into these particular Acts. I am saying that if I am going to accept an amendment of this nature, I must have an investigation and I must be satisfied that it must be accepted. Without being satisfied, without having an investigation, I am not prepared to adopt an amendment here. If my hon. friends want certain items to be amplified, I would accept it on the spot, but I cannot go on accepting a responsibility without knowing what that responsibility means and how I could discharge that responsibility, even though, I submit that I am prepared to concede that the suggestion is born out of very good intentions. But, so are many other things born out of very good intentions.

Mr. Chairman: The question is:

In clause 19, in part (a) (viii), in item "(25)" add at the end, "including shoes."

The motion was negated.

Mr. Chairman: The question is:

In clause 19, in part (a) (xi), after item "42", add the following new items:

"(43) Shellac and its produce.

(44) Mica and its produce.

(45) Tea.

(46) Coir industry.

(47) Matches.

(48) Tobacco including cigarettes.

(49) Oil refinery and its produce including petroleum."

The motion was negated.

Mr. Chairman: The question is:

"That clause 19 stand part of the Bill."

The motion was adopted.

Clause 19 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Enacting Formula were added to the Bill.

Shri T. T. Krishnamachari: Sir, before I move that the Bill, as amended, be passed, I have to make a submission. The amendment which was moved by my hon. friend Mr. Sodhia and which I accepted, according to my legal advisers, wants a slight drafting change. The purpose of it is there. The drafting change suggested is, that in clause 6, in sec-

[Shri T. T. Krishnamachari]

tion 10A, after "may" instead of the amendment of my hon. friend—this carries out the purpose—the words "after giving an opportunity to be heard" be substituted. I hope the House will accept this drafting change. I, therefore, beg to move:

In clause 6, in the proposed new section 10A, for the amendment moved by Shri Sodhia and adopted by the House, the following be substituted:

'after "may" insert "after giving an opportunity to the owner of the undertaking to be heard"'

Mr. Chairman: The question is:

In clause 6, in the proposed new section 10A, for the amendment moved by Shri Sodhia and adopted by the House, the following be substituted:

'after "may" insert "after giving an opportunity to the owner of the undertaking to be heard"'

The motion was adopted.

Shri T. T. Krishnamachari: I beg to move:

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

Mr. Chairman: Motion moved:

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

Shri H. N. Mukerjee (Calcutta North-East): I wish to make a few observations at this stage in regard to the Bill which we are going to pass in a very few minutes' time. I find that in this Bill there are two aspects. One is the negative aspect, I might say, the aspect that enables the Government to issue directions to an industry, and in the case of those directions not being observed, to take over certain industries in certain specific circumstances. There is a more positive aspect which is represented by the projected establishment of Development Councils.

Now, the second Schedule of the original Act contains a long list of powers and functions which may be given to these Development Councils. Now, these functions very rightly are wide and I am sure these Councils are going to be the main agency through which the objectives of this Act are going to be attempted to be accomplished. The Planning Commission also has placed emphasis upon the importance of these Development Councils. So far, Development Councils have been set up for the Diesel Engine industry and the Fertiliser Industry. The first meeting of these Councils, I understand, took

place only a short while ago and we can take it that the Development Councils have not really begun to function effectively. Obviously, if the Government is serious about this legislation, and they want these Development Councils to function properly, they would perhaps examine the working of these two Development Councils before they proceed to appoint Development Councils in regard to other industries. Now, this means that the process is going to take a very long time.

Now, at the time of the consideration of this Bill, I tried to point out how in these Development Councils we have the real instruments for improvement in the economic standards of our country. But, I also warned the Government, at the same time, that if these Development Councils are to be appointed in the old bureaucratic fashion and if they are to continue to do their work in the same fashion as we have seen being followed by Government in so many other ways, then surely the objective of these Development Councils would be lost. But, at any rate, I know that I cannot expect this Government to move very fast in regard to legislation of this sort. But, I want to find out from the hon. Minister what steps are in the contemplation of Government to see to it that the process envisaged by the appointment of these Councils does not take a very long time. I see the Minister is not quite in a mood to listen to what I am trying to say. Actually, Sir...

The Minister of Commerce (Shri Karmarkar): Sir, somebody else is listening on his behalf.

Mr. Chairman: He wants the Minister to listen to this point particularly. He is perfectly right in saying this.

Shri T. T. Krishnamachari: My hon. colleague has mentioned the same point.

Shri H. N. Mukerjee: What I want from the Minister is an assurance that efforts would be made very seriously to expedite the process and that the appointment of the Development Councils would be done in such a fashion that the objective of this legislation will really be sought to be accomplished.

I would like also, to refer to another matter and that is that the main purpose of these Development Councils, as far as the Planning Commission is concerned, has been set out to be the examination of the problem of productivity. The Planning Commission wanted the Development Councils to recommend measures for increasing

productivity in the industries within their purview.

Now, in regard to this I find that from the side of captains of industry in our country all sorts of problems have been posed, and they have tried to say that in essence, today the condition in our country is such that a balance, a real equilibrium, cannot be maintained between the objectives of social improvement about which everybody agrees and economic development. They say, practically speaking, if you are going to develop industries today, you have to take recourse to certain steps from time to time. For example, they say that from time to time unemployment becomes inevitable. Now, this is a point of view which the captains of industry have naturally and necessarily, because of their position in the economy of our country, put forward. As far as Government is concerned, we also find that Government has from time to time behaved in a manner which is no different from the attitude of the captains of industry. On occasion the attitude of Government has even been worse than theirs. I wish to refer in particular to what has happened in the Hindustan Shipyard and the ordnance factories.

I do not want to go into the merits of the matter. It is not my purpose at all and I have no time to do so in the course of this discussion. I refer to these matters only to show that even Government, which is sponsoring certain very essential and vital industries to the economy of our country, if they want to achieve equilibrium between social improvement and economic improvement, have to find out ways and means of bringing about a coordination between the demands of social improvement about which all of us are unanimous and the demand for economic improvement.

In connection with this I would like to refer to the observations made by the International Labour Office Productivity Mission, which examined our cotton and engineering industries. Now everybody agrees that retrenchment is not a socially desirable way of surmounting the difficulties of management. But at the same time we find retrenchment is happening. Now, the leader of the International Labour Office Productivity Mission made certain recommendations. He said these factors have got to be taken into account very seriously before productivity could be improved. The first factor which he mentioned was the need for improvement of physical conditions and better provisions for workers' safety, health and comfort. Now, if this factor is borne in mind, then surely complex problems re-

garding industrial policy and management would be raised. If the physical conditions of the workers are going to be improved, and they must be improved, then that would mean additional expenditure, that would mean upsetting of the costing structure and all sorts of things. It is for Government to come forward and say that Government is really serious about this kind of legislation, that Government is really going to take note of the demands of social improvement for all sections of our people and the demands of economic development.

I say so because I find that in No. 14 of the items mentioned in the Second Schedule it is said that one of the functions assigned to the Development Councils would be promoting the adoption of measures for increasing the productivity of labour, including measures for securing better working conditions and the provisions and improvement of amenities and incentives for workers.

Now from what I find in regard to the working of Government and also from the trend of the debate, I fear that this particular objective is not going to be realised. It is not going to be realised, because I fear that Government is trying a feat of tight-rope walking, so to speak. Government knows it has got to placate the private sector; Government knows very well that the private sector has been given a paramount position in the economy of our country for quite some time to come. It is really a basically contradictory proposition which Government has to face. If the private sector is going to be as important as the Planning Commission envisages it to be, then the kind of legislation which Government has brought forward is legislation which cannot really and truly be translated into effective practice. That is the dilemma with which the Government is faced. Now we are ready to help the Government in surmounting that dilemma. But I do not suppose Government is very willing to move forward in that direction. If Government was really willing to move forward in the direction of solving this dilemma, then surely Government would not have been so soft as it has been to the managing agency system.

12 Noon

At an earlier stage of the discussion of this Bill, I referred specially to the foreign managing agencies which were giants before and which now because of the process of cartelisation are becoming super-giants. I heard the hon. Minister's speech today. He said that these managing agencies have to be presumed to be not guilty of any dereliction of

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their duty by the community. That presumption is there. They have to be proved guilty and then we can proceed against them. I do not understand this sort of reasoning. I do not understand why Government does not come forward and say that if we cannot ex-propriate certain properties which belong to unspeakable elements operating in our country today, at least we can proceed thus far, at least we can set a sort of ceiling for profits, at least we can control profits.

In connection with this, I would just for a few moments like to draw the attention of the House to one single example. Now rubber is mentioned in the Schedule to the Act. Now the Dunlop Rubber Company (India) Limited has been operating for nearly 27 years. The Twenty-Seventh Annual General Meeting of this Company was held on the 2nd of April, 1953. We find a revealing picture of the way this company is plundering the resources of our country, I should say. The working capital of this company amounts to Rs. 1.46 crores. Apart from this there are some Rs. three crores or so as block capital and other assets. Now I have got some figures of profits that this company has earned from year to year. In 1945 this company on its working capital of Rs. 1.46 crores made a profit of Rs. 111.26 lakhs and gave a dividend of 30 per cent. In 1946 they made a profit of Rs. 97.92 lakhs; in 1947 they made a profit of Rs. 95.38 lakhs; in 1948 the profit was Rs. 93.14 lakhs; in 1949 it was Rs. 105.86 lakhs. This year the number of ordinary shares was doubled by allotting bonus shares and the profit was shown as half of what it actually was. In 1950 the profit was Rs. 98.96 lakhs. In 1952 the profit was Rs. 99.68 lakhs. This is the way in which this company is operating. This company has actually introduced a certain number of Indian Directors like Sir S. N. Roy, the Maharajahdiraja of Burdwan, Mr. Jati and Mr. P. N. Haksar. It is as if a sprinkling of Ganges water is taken recourse to in order to make the company acceptable in Indian eyes. But actually the control of this Company, in spite of the "India, Limited" being appended to its name, is entirely in foreign hands and this company is having the unimpeded right to collect a very valuable raw material from our country and to sell it at whatever sky-rocketing prices it pleases. The debenture-holders of this company who are in Britain, whose interests are guaranteed by a British Insurance Company—the Guardian Insurance Company of London—can control the shareholders, just as it happened in the case of

the Madras Tramways, whose shareholders were at the mercy of the debenture holders who brought about a situation by which the tramways had to stop operation and a very large number of people were thrown into unemployment.

This is the way in which these foreign companies are operating and that is why I wish to point out....

Shri K. K. Desai rose—

Shri H. N. Mukerjee: I am not giving way, Sir.

Shri K. K. Desai: What is the suggestion behind all these facts which the hon. Member is giving with regard to this particular Bill?

Mr. Chairman: If the hon. Member chooses to he can reply to that; otherwise he need not.

Shri H. N. Mukerjee: Perhaps the hon. Member's specific question is; what is the solution to this problem?

Shri K. K. Desai: What I wish to know is whether all this has got any relevance to the Bill before the House.

Shri H. N. Mukerjee: I was trying to relate all these facts to the Bill by having made a preface that if the Government is serious about proceeding with the objectives of this legislation, they should tackle certain elements which are operating in our country today and as an example I was referring to this particular company which has been operating here. I have given these facts and I want to draw the attention not only of the hon. Minister, who knows very much more perhaps than I do in regard to this sort of thing, but of the House in general: here is a sample of the way in which managing agencies, particularly foreign managing agencies, operate in our country. Therefore if we are really serious about the kind of legislation which has been brought before us today we should find out ways and means of tackling these elements and then and then alone can we find a solution to the dilemma which is before us.

Here is a Bill the object of which we support. But envisaging the apparatus for the realisation of this objective, which is by no means adequate, it makes us apprehensive that Government's policy being what it is, it is not going to be translated into the kind of practice which we have a right to expect from the statement of objects and reasons and also from certain aspects of the speech of the hon. Minister who, I am happy to say,

occasionally at least in recent days has made very forthright statements in regard to what Government proposes to do with respect to these interests operating in our country.

Some Hon. Members rose—

Mr. Chairman: We have already discussed the subject matter of this Bill at great length, and every aspect of it. I would therefore like hon. Members not to take more time at this stage. But if they are so minded and want to speak, I will allow them. We have to proceed with the other Bill. If they agree with me I will call upon the hon. Minister.

The hon. Minister.

Shri T. T. Krishnamachari: I have listened with considerable interest, as I always do, to the words which fell from the mouth of the Leader of the Communist Party because as I have said in spite of our differences in approach he always puts his case in the most reasonable way and one cannot take offence to anything he says.

With regard to Development Councils I would ask him to bear with me a little. I have yet to find my feet. It is true that I have constituted two Development Councils. I do propose to constitute a few more. But I am not quite sure in my mind that this would solve all our troubles. I would like to see these Councils work for about six months before I go ahead with a larger number of Development Councils. That is the plan that has been envisaged by the Planning Commission. It is no doubt true. But I am a bit of a doubting Thomas in this case and I would like to know that the experiment is successful. That is why I am going a little slow. When once I know that it is successful there is no reason why we should not constitute twenty or thirty Development Councils. Hon. Members may not attach the same importance and may bear in mind the fate of Development Councils in another country where this has been tried and from which we have copied this, namely U.K. A number of these Development Councils were constituted there and only two are remaining today, those on Furniture and Cotton, and I am told both are in the process of being dissolved. It does not mean, however, that the same will happen here. Our genius might suit these Development Councils; we might be more accommodating.

In any event Government has a very definite idea of controls. There is no question of oscillation as exists in other countries. Our ideas are very clear. Whether owned by us or not, we shall control all means of produc-

tion. So the Development Council might form a useful adjunct in this respect. I would therefore ask the hon. Member to bear with me a little. If he thinks that I am not wise he might be a little charitable to me that I am being a little timid. Well, timidity is not always a virtue, but sometimes it is.

In regard to the Government record as an employer I have nothing to say. The real point is whether it is the Government or a private person who employs people, the employer is faced with the same troubles. Of course Government has certain objectives in view and certain ethical standards which a private employer is not often burdened with. Even so, if the hon. Member feels that Government has not done the proper thing there are some other circumstances, which are really the cause for it rather than any defect in the intrinsic makeup of Government. There is no denying that Government yields to nobody in maintaining proper standards for labour and proper treatment. But if they are not able to do it, the labour side of it has also to be looked into. There might be a go-slow policy. Something of that nature we are faced with today in one or two industries. And I would like to if I may use that word, conscript the support of the hon. Member to persuade labour that whatever might be the nature of our political ideas, in so far as production is concerned it does not matter which party controls labour, but go-slow is not a good thing. I am prepared to pay attention to labour in regard to raising of standards of living, proper amenities and wages—I am not concerned with any one particular unit where semi-skilled labour gets as much as Rs. 500—that is a thing which we ought to achieve as early as possible. But I would also ask the co-operation of the hon. Member to see that labour does not go slow. There may be other political objectives to be gained by that, but the essential objective namely, economic betterment will be lost.

My hon. friend referred to the case of foreign industries and specially to Dunlops. I think he has a justification to mention that. The justification lies in the fact that I have anticipated him somewhat. I have referred the whole matter to the Tariff Commission and if he would only refer to the terms of reference to the Commission he would find that all these points have been taken into consideration—the profits made in past years, the price advantages gained by purchasing rubber at control price, the advantages gained by way of financial help given during war time, and whether the prices charged

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are correct. This is not a thing I am completely ignorant of. I am aware of it. But I cannot see how a measure of this nature can alter the structure of industry in this country so far as ownership is concerned. That has got to be done by other means. That is probably where we fundamentally differ. I might be proceeding slow and he wants me to go fast.

I might give one additional information. The position with regard to Dunlops is much better than Firestones where the capital is small and profits are large. It is a private limited company where all the profits are sent out; they are not even ploughed back in this country. Dunlops are much better where 53 per cent. of the capital is held by Indians. In the other company it is not so.

I am not unaware of the position. But that cannot be remedied by this particular measure. This particular measure can only keep the wheels of industry moving, see that labour is being properly treated, that production is going on as it ought to. If we confine ourselves to these narrow objectives we have,—narrow but very useful objectives in the interests of our national economy,—I think we will succeed. Once we get away from it and seek to use it as a weapon for other purposes, however desirable they may be, then I think the efficacy of this instrument that we are now forging would to that extent be detracted. So I would ask hon. Members to bear with me a little if in the administration of this measure which we are now passing Government does not go as far as they want and make it an all-embracing measure. Well, we want to do it at the proper time. It may not be the proper way in the minds of the Opposition Members. We have to choose other weapons for remedying a disequilibrium of an industry which is totally different from the one we seek to remedy by means of this measure.

I shall only say finally that I am grateful to the House which, by and large, has given me a great deal of support and has heartened me in the responsibility which this measure would impose on Government, and I do hope that at the end of a year when we review the working of this measure I shall be entitled to recall the amount of consideration I have had at the hands of hon. Members when this measure was passed.

Mr. Chairman: The question is:

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

The motion was adopted.

TEA BILL—Contd.

Mr. Chairman: Let us proceed with the further consideration of the Tea Bill. Mr. Thomas.

Shri T. K. Chaudhuri (Berhampore): Shall we continue tomorrow also with this Bill?

Mr. Chairman: I am told that the Air Corporation Bill is likely to be taken up tomorrow.

Shri T. K. Chaudhuri: It will be postponed again!

Mr. Chairman: It appears so.

Shri A. V. Thomas (Srivaikuntam): Sir, the other day, I was referring to some of the actions taken by the Ministry with reference to the International Tea Marketing Board, i.e., our withdrawal from the Board and that too without consultation of the industry or the Tea Board which is now functioning. I also said about the new arrangement that had been made with the U.S.A. for tea propaganda in that place. I pointed out that the terms arrived at by us were not very advantageous to this country. There is a provision in the existing Bill for consulting the Board on these matters. That was not done and in the present Bill, the question of consultation has been completely left out.

The Minister in introducing the Bill and in referring it to the Select Committee made a speech the other day. I listened to that with a bit of surprise and amusement and also I must say with a little pain. He was introducing a very important Bill and at the same time brought in there certain remarks made by the Chairman of the Association of the tea industry and said that this Chairman used a language of abuse and vilification, etc. I am very sorry he made reference to that from his privileged position in this House.

Yesterday, while speaking about some other Bill, an hon. Member made reference to someone outside this House and I saw the Minister getting very indignant over that matter and chastising that Member that when a person is not in the House, the Member concerned should not talk of that person when he is unable to defend himself. I suppose it does not apply to the Minister.

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): I am sorry that the hon. Member made a reference to it. When an attack is made on the Government, I suppose I have a right to reply. It is