

of India, there were some members who subscribed to one view and there were others who subscribed to the other view. The majority of the members of the Bar Council have taken a view that those who want to teach must not practise and those who want to practise must not teach.

Various representations have been made on behalf of the teachers to the Government. The Government, in due course, would apply its mind to this question and see as to whether the Government has any role to play in this matter or not. I am not in a position to say at the moment whether the Government will have any role to play in this matter at all.

As regards the query raised by Mr. Jagannath Rao as to whether the Advocates General and the Attorney General can stand for election, there cannot be any controversy on that. If they are the members of the Bar Council, they can certainly be elected. I am here an example of that. When I was the Advocate General, I was elected as the Chairman twice.

With these words, I commend the Bill for the consideration of the House.

MR. CHAIRMAN: The question is:

"That the Bill further to amend the Advocates Act, 1961, be taken into consideration."

The motion was adopted.

MR. CHAIRMAN: As there are no amendments, with the permission of the House, I shall put Clauses 2 to 8 to the vote of the House. The question is:

"That Clauses 2 to 8 stand part of the Bill."

The motion was adopted.

Clauses 2 to 8 were added to the Bill. Clause 1, the Enacting Formula and the Title were added to the Bill.

(Acquisition and Transfer of Shares)
SHRI SHANTI BHUSHAN: I beg to move:

"That the Bill be passed."

MR. CHAIRMAN: The question is:

"That the Bill be passed."

The motion was adopted.

17.25 hrs

SMITH, STANISTREET AND COMPANY LIMITED (ACQUISITION AND TRANSFER OF UNDERTAKINGS) BILL

THE MINISTER OF PETROLEUM AND CHEMICALS AND FERTILIZERS (SHRI H. N. BAHUGUNA): Mr. Chairman, I beg to move.*

"That the Bill to provide for, in the public interest, the acquisition and transfer of the right, title and interest of the undertakings of Messrs Smith, Stanistreet and Company Limited, Calcutta, and for matters connected therewith or incidental thereto, be taken into consideration."

I have to say nothing more than this that here was a sick unit taken over by the Government way back in 1972. It was time for us to decide whether to take it over, or carry on the business or leave it to those hands who had mismanaged it and brought it to almost the verge of ruin. In view of the fact that, in the eastern sector, and particularly in West Bengal, we do not have any pharmaceutical complex worth the name, Government decided to take over this particular concern in public interest, nationalise it and manage to see that, with a small investment of about Rs. 1 crore, we raise the production from a few crores to a large amount,

*Moved with the recommendation of the President.

[Shri H N Bahuguna]

i.e., about Rs 13 to 14 crore worth of production. More employment will also follow in the wake of that particular effort. Government had no option in this particular case because, as I said earlier, it had been established that the company was mismanaged and losses were mounting. And during the period it was under the control of the Government I must say this in praise of the officers who had looked after the company well that they had progressively reduced the losses, though the wages had gone up during the last six years by Rs 14 lakhs. The interest had also mounted up. But now the company is poised for not only breaking even but for making profits by diversification, by more investment modernisation and so on. Therefore, I hope that this Bill, which is an effort not only to avoid sickness but to give health to the drug industry in West Bengal as a whole, will be accepted.

There is only one more point which I would like to add, and that is, the Government of West Bengal the trade unions and the managerial cadre of this company were all in favour of Government taking it over. The question of take over was also considered by the Hathi Committee and the Hathi Committee also recommended that, in public interest, this undertaking should be nationalised. I have therefore come forward with this innocuous Bill which, I hope the House will accept.

With these words I move

MR CHAIRMAN Motion moved

"That the Bill to provide for, in the public interest, the acquisition and transfer of the right, title and interest of the undertakings of Messrs Smith, Stanstreet and Company Limited, Calcutta, and for matters connected therewith or incidental thereto, be taken into consideration."

SHRI SAUGATA ROY I rise to support the Bill and congratulate the Government and the Minister for Petroleum and Chemicals and Fertil-

isers, Shri Hemavati Nandan Bahuguna, for bringing forward this Bill. As the Minister has already said, this was a sick company which was temporarily taken over by the Government in 1972. At that time the Indian Drug and Pharmaceuticals were appointed as the authorised controller of the company. Now the Government has decided to make permanent what had already been done before, that is, taking over this company permanently, for which Government deserve to be congratulated by all and sundry.

In this regard I want to mention one or two points for the attention of Shri Bahuguna. These relate to the pharmaceutical industry in eastern India and particularly in West Bengal. Why is it that the drug companies in eastern India become sick, become ailing, become weak and become closed?

SHRI VAYALAR RAVI (Chirayinkil) Even after charging high prices

SHRI SAUGAA ROY even after charging high prices as Mr Ravi says whereas the companies in western India are doing very much better? This is a matter which needs looking into. As the Minister has also stated the Hathi Committee did go into this question of pharmaceutical industry in eastern India, and it did come forward with certain suggestions as to how to create a stable basis for the pharmaceutical industry in eastern India. I would request the hon. Minister for Petroleum and Chemicals and Fertilisers to look into this aspect of the matter, because, if I may remind him, pharmaceuticals are one business in which the profits are very large compared to the investment provided you do not invest in research. In these days the know-hows are developed by certain big companies abroad. In view of that, I will request the Minister to particularly look into this aspect of the situation.

I would also like to refer to another Company in West Bengal and which has been declared sick and it is,

Bengal Chemicals and Pharmaceuticals Works which was established by Acharya Profulla Chander Ray I am also connected with this Company as the President of the Union there. Though the Government has announced its decision to take over this company, somehow or other the decision has not percolated down and the official gazette has not been issued. As a result, the employees this month have been served with a notice that they would not be paid their wages. I would therefore request the hon. Minister to see that the delay in the take over of this company is also eliminated.

AN HON. MEMBER: As you are the President of the Workers' Union of this Company, you are also responsible for the deterioration in the working of the Company.

SHRI SAUGATA ROY: A company never becomes sick because of the workers, it becomes sick due to mismanagement and because they run it wrongly. It is never because of workers that a unit becomes sick.

As I said I am trying to make the Minister's already strong hands stronger in this regard. I would only like to bring one or two problems to his notice in regard to this matter.

The hon. Minister has done well to take over this company directly as a Central Government company instead of allowing the IDPL to act as its controller. I believe the Company will have its own management and its Board of Directors. In the case of Bengal Chemicals and Pharmaceuticals Company there is a fear among the local employees that if it is managed by the IDPL probably its interests will not be looked after and other units of the IDPL will be benefited at the cost of this unit. This is a point to which I want to draw the attention of the hon. Minister.

Though this is not the occasion I would like to take this opportunity to

make one more point. I remember, while presenting the budget for the Ministry of Petroleum and Chemicals in the budget session the hon. Minister had given some concrete promises with regard to the drug prices. I am sure of the Minister's good intentions and I am sure he does not support the policy of high prices of the multi-national drug companies for ordinary life-saving drugs but in spite of the Minister's promises and good intentions and his dynamism, the drug prices have not come down for the last six months. They are taking over the company, it is a commendable step, but I would also like to know, if he is going to take immediate steps in this regard that is, regarding drug prices.

With these words I wholeheartedly support this Bill and congratulate the hon. Minister for taking over this sick unit in a very sick State of India, namely West Bengal.

DR SARADISH ROY (BOLPUR): Madam Chairman, I welcome this Bill but the way it has been introduced is very much objectionable. It has come through an Ordinance. We used to criticise the previous Government that they were ruling the country by Ordinances; this could have been avoided.

The employees of this company in West Bengal have been pressing for nationalization for a long time. Even during the first session of the present Lok Sabha in March-April this year they had approached the Central Ministry to take over the management of this company. But as in the old way there was so much delay and there was no other alternative but to promulgate an ordinance to take over the management as the conditions have worsened. This way the government is moving in the same way as the previous Government was moving. So I want to draw the attention of the government that if actions and steps were taken

[Dr. Saradish Roy]

in proper time, without an ordinance but by a proper Bill, this undertaking could have been taken over

This undertaking is under government management for the last five years, since May 1972 and during this period there was a tremendous improvement regarding production which rose to Rs 45 lakhs from Rs 6 lakhs per month but the employees got no benefit

THE MINISTER OF STEEL AND MINES (SHRI BIJU PATNAIK) If it is closed down, will you get benefit?

DR SARADISH ROY In the last five years the production has gone up but the employees did not get any benefit compared to the employees of the IDPL and other government undertakings and similar industries. Their pay scale is lower. That is my point. So this undertaking was sick and the government has taken over and the employees are contributing their mite so that this drug undertaking may flourish.

The Hathu Committee has not only mentioned about the taking over of drug industry but also mentioned about its development, that their machinery should be modernised, etc.

Then, with regard to Bengal Chemical and pharmaceutical works I want to say the eastern part of the country is the pioneer in the production of drugs and pharmaceuticals. The first pharmaceutical industry in the country was set up in Bengal in 1901. That is Bengal Chemical and Pharmaceutical Works, Ltd. They are the pioneers that is the eastern India and the first one to be established in the country is the Bengal Chemicals by Dr P C Roy and not only that they used to export drugs even during the British period, but the sad part of it is that the drug and pharmaceuticals industry today flourishes in the western part of the country and not in the eastern

part, the place of its birth. The Central Government should take some steps to find out as to what are the reasons for this set-back.

Now, the Bengal Chemicals is being managed by the Centre. But the deplorable thing is that though the Company has now come under IRCI some of the Directors have left and no work is done and the workers are not getting their pay. Bengal Chemicals is being managed just like Smith Stanistreet whose production has gone up. This point I want to stress. The Minister will take early action so that like Smith, Stanistreet the Bengal Chemicals is also taken over completely at an early date.

With these words, I support the Bill.

SHRI A MURUGESAN (Chidamaram) Madam Chairman, on behalf of my party the All India Anna Dravida Munnetra Kazhagam I rise to say a few words on the Smith Stanistreet and Co Ltd Acquisition and Transfer of Undertaking Bill.

Madam this undertaking engaged in the manufacture of drugs and pharmaceuticals was making loss from 1970 and in May 1972 the Central Government took over the management of this undertaking. The Indian Drugs and Pharmaceuticals Co Ltd, a Government of India undertaking has been managing this unit for the past five years. Now this Bill seeks to nationalise this Unit.

I have to regretfully point out that a provision of Rs 3 crores and 74 thousands has been made for payment as compensation to the erstwhile management. I feel that this action of the Janata party Government is similar to the actions of the former Congress Government in the matter of making huge amounts as compensation at the time of acquiring undertakings. These industrialists had failed themselves at the cost of workers

and after exploiting public wealth for their personal aggrandisement. Taking the cue from the Congress Government in the matter of making compensation to such people, the D.M.K. Government squandered the public money in paying compensation to the industrialists whose industrial units were acquired by the State Government. I am afraid that the Janata Party Governments in the States may take the cue from the Central Government and may act in a similar manner.

I am reminded of a Tamil Proverb which means that the Ghee belongs to the host but it is being served by the wife of the guest. Madam, the Government of India must be extra careful in utilising the tax-payers' money for the purpose of making payments of compensation to tax-evaders and 'tax-dodgers'.

With these words I conclude.

THE MINISTER OF PETROLEUM AND CHEMICALS AND FERTILISERS (SHRI H N BAHUGUNA) I am beholden to Members for expressing their views. The one concern that was shown was about the rate of the pharmaceutical industry in the east. I think the people of the east must also search their hearts as to why this has happened. I would not say more than this. The Janata Government has taken due notice of it. Though some may characterise it as a delay, I would say, we have done it as quickly as possible. Due process of law does require examination, looking up and taking decision does take time. We came in the month of May and in September we decided on doing something upon which the previous Government had not decided anything from 1972 to 1977, for five years. We took only five months. For that we should have been congratulated.

The question of Bengal Chemicals was raised, although this was not directly connected. I would state that I stand by my earlier commitment that this Government looks upon

Bengal Chemicals not merely as a pharmaceutical unit but as a memorial to the memory of one of the tallest men of India, Acharya Profulla Ray. We will not let it die, for, that is the real forerunner of the entire chemical industry and the drug industry in the country. This Government will try to resurrect the same and I am sure this will be done in a way which will give satisfaction to hon Members.

One strange comment has been made by the hon member of the Anna DMK. I would have been happier if he had not said that while speaking on behalf of the Anna DMK because I am more than sure that Anna DMK has not considered this question. His party has not considered this question. Perhaps he has been misled by the feeling that we are paying money to someone. It is for the first time that I am here with a Bill in which the entire Constitutional Amendments made in the wake of the 1971 elections are being used. It is to see that money does not go to these hands which ruin the industry. In fact, money is not going to those hands. Money is provided to pay the debts of banks and financial institutions. We have determined the amount to be paid, not as compensation. We are not paying the market value, there is nothing like that. In such a case, I feel the policy is very simple. We pay exactly what we should pay. Whatever we have paid is to cover the part of their debts. There is a clause regarding this in the Bill. This is not going to the company but this is going to the Commissioner of payments to be appointed by the Government who will pay it to different people. Who are they—this is also indicated in the Schedule A attached to the Bill.

I wish the hon Member—though I appreciate his anxiety, he just brings in DMK by hook or crook into everything—a young man like him should rather go more into details about the whole proposition that he wants to build up. It is absolutely incorrect to

say that this is squandering away of the public funds. This is the unkindest cut. This Government has got all the power to see to it that not a penny more than necessary—even the interest—is given to it. Whatever money is provided for is just to pay back their debts. Who are they? That is indicated in the Schedule attached to the Bill. They are not going to the company, the money is going to the Commissioner of payments to be appointed by the Government. This has never happened before. This is for the first time that such a thing is happening. Instead of taking note of this he is telling that the Government are squandering away the company's fund. I am sorry that the hon. Member has got a misconception in his mind. I cannot remove his misconception. I can only argue.

It was said that Hathu Committee talked about the development. At the outset Madam you might recall we had invested about a crore of rupees. In the feasibility report you will find that a crore of rupees has been provided for diversification. If this is done the production will go up by more than Rs. 13 crores per annum.

It was said by one hon. Member from Bengal that the workers had not got anything during the last five years. This is far from truth. This is far from the correct statement. I do not want to discuss that part for good reasons. (Interruptions) Comparisons are very difficult and sometime they are not correct. But I must say here that in 1971 for the same number of workers the total wage bill was Rs. 49.91 lakhs. For the same set of workers the wage bill in 1976-77 was Rs. 60 lakhs which means it has gone up from Rs. 49 lakhs to 60 lakhs during the period of these six years. (Interruptions) I can assure you that the old management was thrown aside. The IDPL became the management of that company. In the management of that company one man was introduced. A few more people were also brought along with him. If you

take this additional wage of Rs. 15 lakhs, the additional wage that the workers get on an average comes to Rs. 2,000 per annum. This is more than what they were getting in 1971.

In fact I am worried about this huge expenditure on account of the costs. But, I must say that this will be a subject matter of discussion. I am not willing to enter into any discussion on this. I told the Chief Minister of West Bengal Government this afternoon that I am willing to go into the whole question along with him. I am sure that the West Bengal Government, in their wisdom, will realise that they will have to take action which will ultimately benefit the purpose for which this Bill is meant. West Bengal Government wants more and more of pharmaceutical industries to come up. I am sure that West Bengal Government is very helpful in this matter and they try to understand this. Even the workers understand the position. As regards Bengal Chemicals it is true that the people want us to go in for it. That does not mean that we follow their dictates. In fact it is we who took the decision on our own and we shall perhaps come before the House very soon in regard to that matter.

I would like to say that in this particular case there is no injustice that is being done or any incorrect thing is being done. The correct thing has been done in this particular case. Nationalisation through this Bill is the most correct thing that has been done.

With these words I commend this Bill for the consideration of this House.

MR CHAIRMAN: The question is

That the Bill to provide for in the public interest, the acquisition and transfer of the right, title and interest of the undertakings of Messrs. Smith, Stanistreet and Company Limited, Calcutta and for

matters connected therewith or incidental thereto, be taken into consideration."

The motion was adopted.

MR. CHAIRMAN: Now, we take up clauses 2 to 6. There are no amendments to Clauses 2 to 6. I shall put them all to the vote of the House

MR. CHAIRMAN: The question is:

"That Clauses 2 to 6 stand part of the Bill."

The motion was adopted.

Clauses 2 to 6 were added to the Bill.

MR. CHAIRMAN: We come to clause 7. There is an amendment

DR. RAMJI SINGH: After the speech of the hon. Minister I am convinced, I do not want to move my amendment.

MR. CHAIRMAN: The question is:

"That Clauses 7, 8 and 9 stand part of the Bill."

The motion was adopted.

Clauses 7, 8 and 9 were added to the Bill.

MR. CHAIRMAN: There is an amendment to insert new clause 9A.

DR. RAMJI SINGH: In the same spirit, after the hon. Minister's explanation I am not moving this amendment and also my amendment to clause 14.

MR. CHAIRMAN: The question is:

"That clauses 10 to 34, the Schedule, Clause 1, the Enacting Formula, the Preamble and the Title stand part of the Bill."

The motion was adopted.

Clauses 10 to 34, the Schedule, Clause 1, the Enacting Formula, the Preamble and the Title were added to the Bill.

SHRI H. N. BAHUGUNA: I beg to move:

"That the Bill be passed".

I want to add one sentence. A reference was made to IDPL, its performance. When IDPL took over this management, production in this company was Rs. 154 lakhs; in 1976-77 it has been Rs. 388.75 lakhs, with the same set of workers and the same set of equipment. I must put on record my appreciation of what has been done by them. With these words, I commend that the Bill be passed.

MR. CHAIRMAN: The question is:

"That the Bill be passed."

The motion was adopted.

17 54 hrs.

INDIAN IRON AND STEEL COMPANY (ACQUISITION OF SHARES) AMENDMENT BILL

THE MINISTER OF STEEL AND MINES (SHRI BIJU PATNAIK): It is a similar case of a sick mill in West Bengal (Interruptions).—It is not part of the general sickness of West Bengal. I beg to move:

"That the Bill to amend the Indian Iron and Steel Company (Acquisition of Shares) Act, 1976, be taken into consideration."

Except the arguments already preferred by my colleague in the case of another company, all I have to say is that this company has been taken over by the Government of India, funds have been given to the Commissioner for disbursement to the shareholders. There are some difficulties about the nomenclature of the shareholders because some shareholders have gone to the Stock Exchange and until and unless the Government truly acquires the shares and have them transferred in their name, we cannot make it a subsidiary of the Steel Authority of India Limited. This is a very small minor modification, a technical Bill. There are two or three amendments,