[Shri H. R. Gokhale]

which are frivolous and are only vote-catching can be passed latter. Therefore, this Bill in my opinion is of a very high priority. Since the minister says he will introduce it in the budget session, let us hope that he will be good enough to keep his promise. With that, thanking all my brother members for their support and thanking the Minister for his categorical assurance, I would seek the permission of the House to withdraw my Bill.

MR. CHAIRMAN: The question is:

"That leave be granted to Dr. Karni Singh to withdraw the Legal Assistance Bill."

The motion was adopted.

DR. KARNI SINGH: I withdraw the Bill.

17.27 hrs.

REMOVAL OF DISPARITIES AND CONCENTRATION OF WEALTH BILL

SHRI K. LAKKAPPA (Tumkur): Sir, I beg to move:

"That the Bill to provide for removal of large disparities in wages and for removal of concentration of wealth by converting big industrial and business concerns into cooperatives managed by all for all, be taken into consideration."

I fully justify the bringing of this Bill on a vital issue. It is also revolutionary in character. The object of the Bill is removal of disparities and concentration of wealth. A majority of the Indian people are living below the subsistance level. They do not have even the minimum basic necessities of life. It is relevant to quote some paper cuttings which are revealing and also disheartening. *The Times of India* dated 8th August. 1973 says Man fights dog for food", as happened in Bangalore recently:

"First, dog fights dog for the left-overs dumped into garbage bins. Then, man fights dog in a scramble for what is considered food—cooked and uncooked bones, meat, onion peels, rotten potatoes and vegetables."

This is the plight of the people who are suffering without the basic necessities of life. The people can be seen in various parts of the country struggling for survival. Apart from the agricultural and industrial backwardness of the country, there are huge disparities in wages. and wealth has been accumulated in the hands of a few. It has been recently said that the income on which tax was evaded during 1968-69—black money—can be estimated at Rs. 1400 crores. This is revealed by an enquiry committee report. The approach document to the Fifth Plan reveals that between 40 to 50 per cent of the population, *i.e.* 220 million people were estimated to be poor. The object of my Bill is to attract the attention of the Government so that some immediate action may be taken in the matter. Far-reaching and very useful provisions have been made in this Bill. This Bill does not provide for any take-over of any industrial or business concern, thereby attracting a conflict with the Constitution. It only says that the entire concentration of wealth, which is above Rs. 5 lakhs, controlled by larger business houses, should be converted into cooperative societies and the entire ownership should be, as a first measure, in the hands of the people and the people should mould the destiny of such undertakings.

The assets of the 20 larger industrial houses in the country increased by more than 54 per cent between 1964 and 1968 according to a survey conducted by the Research and Statistical Division of the Company Affairs Department. The larger industrial houses were classified as such by the Industrial Licensing

Policy Inquiry Committee on the basis of their assets exceeding Rs. 35 crores in 1963-64. You can imagine how in 1973 this has increased by leaps and bounds.

The total assets of the 20 houses amounted to Rs. 1,779.8 crores in 1963-64. By 1967-68, the figure rose to Rs. 2,752 crores, an increase of 54.6 per cent. In absolute terms, the increase amounted to Rs. 972.2 crores over the four years.

Some of the houses listed among the 20 achieved "unprecedented growth" in the four-year period. For instance, the assets of Mafatlal increased during the period by 195.9 per cent, according to the survey. Birlas recorded an increase of 96.6 per cent. followed by Shri Ram whose assets increased by 96.4 per cent...

MR. CHAIRMAN: Just a minute. Because the Private Members' Business started late, the Half-An-Hour Discussion will begin at 6.10 P.M.

SHRI K. LAKKAPPA: In 1967-68, the top five houses accounted for 58 per cent of the total assets of the 20 larger undertaking, and the top 10 houses accounted for nearly 77 per cent of the total. This is very pathetic.

The ranking of the top five industrial houses, according to their assets in 1967—69 is as follows:—

As regards Tatas, Birlas, Martin Burn, Mafatlal and Bangur, while the first three houses have retained 1963-64 ranking, Mafatlal has jumped from the 15th position to the fourth, pushing Bangur one step down. You can understand the accumulation of wealth by leaps and bounds by these industrial houses by all means of frauds. The fifth position in 1963-64 was held by the Associated Cement Company. So, various companies in this country are holding the stranglehold of the economy and resulting in increasing the poverty.

Among others who have improved their ranking are Shri Ram from the 12th to the 6th position and Soorajmull Nagarmull jumped from the 10th to the 7th position. Therefore, there is a gradual increase in the accumulation of wealth and, amongst themselves, there is a competition to accumulate wealth. They compete with one another in accumulating the wealth of the nation.

The survey reveals that the list of larger industrial houses with assets of Rs. 35 crores and more stands extended from 20 ot 30, since 10 more companies have improved their assets position to qualify as larger undertakings. Is there any justification that we have to be at the mercy of big industrialists and big undertakings which are moulding the destiny of the country and the country has to suffer in the end? Therefore, I would like to draw the attention of the House and of the Government to see that suitable action is taken so that such a kind of concentration is ended. As a first step, this is a revolutionary step and an immediate step that the Government can take action on the lines I have enumerated in the Bill.

Further, in 1963-64, the assets of these companies ranged from Rs. 11.68 crores to Rs. 33.94 crores. In 1967-68. the assets of Seshasayee, the smallest of the 10 houses, amounted to Rs. 40.49 crores while the largest group among them, Magneill and Barry-Binny, owned assets worth Rs. 62.56 crores. The most spectacular increase in assets was achieved by Parry which increased its assets from Rs. 11.69 crores in 1963-64 to Rs. 53.79 crores in 1967-68, that in, an increase of 360.5 per cent.

If the definition of larger industrial houses adopted by the Licensing Committee is followed, then these ten undertakings will have to be treated as larger houses. Those which were smaller houses five years back have become larger houses now. Those which were the smallest houses ten years back have gradually been

[Shri K. Lakhappa]

increasing their assets and making huge profits and have become large houses now.

Regarding the 75 large industrial houses, defined as such on the basis of their assets amounting to and exceeding Rs. 5 crores, the survey points out that they have improved their assets position by 54.7 per cent between 1963-64 and 1967-68.

In absolute terms, their aggregate assets increased by Rs. 1426 crores—from Rs. 2605.9 crores in 1963-64 to Rs. 4032.4 crores four years later.

The Monopolies Inquiry Commission had placed aggregate assets of the private corporate sector excluding banking companies at Rs. 5552 crores. On this basis the Commission arrived at the conclusion that "the proportion of the assets of the 75 Groups to those of all non-Government and non-banking companies works out at 46.9 per cent".

The assets of the entire private corporate sector. excluding banking companies, "appear to have reached the level of Rs. 7,500 crores in 1967-68", according to the survey, so that the share of the 75 houses in terms of the assets owned by them would work out at 53.8 per cent of the total indicated for the entire private corporate sector.

"In other words", according to the survey, "the concentration in terms of control over the community's funds increased from 46.9 per cent in 1963-64 to 53.8 per cent in 1967-68".

Over the same period, the increase in the total assets of the entire private corporate sector was of the order of only 25 per cent.

In absolute terms, of the total increase of nearly Rs. 1,948 crores in assets of the entire private corporate sector, the 75 industrial houses accounted for an increase of Rs. 1426 crores—nearly 73 per cent of the total. Where is this money kept?

Some of the industrial houses which, in physical terms, according to the survey, are Birlas accounting for an increase of Rs 283 crores in 1967-68 over the 1963-64 level; Tatas accounting for an increase of Rs. 167 crores; Mafatlal, an increase of Rs. 90 crores; and Surajmull Nagarmull accounting for an increase of Rs. 50 crores over the same period.

What are the sources from which funds were obtained by these industrial houses and their uses? 'It would probably be interesting to analyse these', the survey concludes.

Foreign companies are functioning in this country and are operating the vital, nerve system of the economy; they are actually eating into the nerve system of the economy and are recausing the collapse of the economy. How can any plan in this country function effectively in the hands of these people in whom there is concentration of wealth? Under the very nose of the Government, these big industrialists are using their powerful influence; not only influence, they also sometimes indulge in frauds, and these frauds have been discussed not only in this House but also outside. Not once but hundred times we have discussed and we have brought it to the notice of the Government that immediate action should be taken as such a concentration of wealth will be disastrous to the country.

Regarding distribution of wealth, at present we have only some rough estimates of aggregate wealth (value of reproducible tangible assets) by type of asset, owned individually (*i.e.* by households and single persons), jointly (*i.e.* by the limited and unlimited liability companies including partnerships) and publicity (*i.e.* by the Central and State Governments including local authorities) as at the end of March 1950 and March 1961. According to these estimates, the total value of reproducible wealth at the end of March 1950 and at the end of March 1961 was of the order of Rs. 17,086 crores and Rs, 32,164 crores respectively. Then you can imagine the present situation.

The distribution of some items of reproducible tangible wealth among the three sectors—households, organised private business sector and the Government sector—is not accurately estimated but this does not seem to affect the broad picture significantly. A rough grouping of data in the aforesaid three categories indicates that the household sector accounted for 71 per cent of tangible wealth in 1950, while the shares of the organised private sector and the Government sector were 12 and 17 per cent respectively. In 1961, the share of the household sector declined to 60 per cent while the shares of the other two sectors increased. The Government sector's share increased substantially to 25 per cent, while the share of the organised business private sector rose to 15 per cent.

Then with regard to poverty and unemployment, the basic objectives of economic planning in India are the removal of poverty and unemployment. But two decades of planning appears to have made little headway in either direction. The standard of living of the poorer sections of the community is a function not only of the growth rate but also of the distribution of income. The report of the Mahalanobis Committee on distribution of income and levels of living (1964 and 1969) are very revealing in this regard. The main conclusion arrived at by an examination of the National Sample Survey data was that the bottom 10 per cent of the population was poorer at the end of the Second Plan than in 1950. Their analysis of income tax data on share dividends showed that the top 5 per cent of households, when ranked by dividend income, owned more than 50 per cent of the personal wealth in the form of shares. The Committee also found that, despite our highly progressive taxation policies, there was considerable concentration of urban income and wealth and the working of our planned economy had ecnouraged this process by facilitating and aiding the growth of big business. A household survey conducted by the National Council of Applied Economic Research in 1962-63 showed that the top 1 per cent of households enjoyed 10 per cent of the total income, while the bottom 15 per cent of the households claimed only 4 per cent.

Another study conducted by the Reserve Bank of India showed that the number of Indians living in rural areas in conditions of absolute poverty increased from 52 per cent of rural population in 1960-61 to 70 per cent in 1967-68. The Government should understand what type of poverty our people are undergoing. Even though the people are sovereign, yet, this is the type of poverty from which they suffer. Now it is even 100 per cent or 200 per cent in some areas. Studies on consumption patterns based on national sample survey also indicates that large groups of people had experienced no improvement in their standard of living and the per capita consumption of the poorest five per cent and declined marginally despite the steady growth in the national income. Though these reports and studies have serious limitations, they show that Planning has apparently done little to redress the inequalities of income and of wealth. According to the estimates of the Planning Commission also the disparity between the richest and the poorest 30 per cent in terms of absolute *per capita* consumption has been showing an increasing trend.

Now I come to the figures regarding the range of minimum wages per day fixed under the Minimum Wages Act as on 30th September 1971. The lowest figure for the Central Government is Rs. 2.40 and the highest Rs. 3.70. Inclusive of House Rent Allowance, City Compensatory Allowance,

[Shri K. Lakkappa]

Dearness Allowance and Interim Relief, this come to Rs. 201.70 and excluding all these things, it comes to Rs. 170.00. If you take the figures for the States, you will see the pitiable living conditions of the poor. In Andhra the range of minimum wages per day fixed under the Minimum Wages Act as on 30th September 1971 is Rs. 1.50; the highest is Rs. 5. Inclusive of HRA, CCA, DA, and Interim Relief, this comes to Rs. 167 and excluding all these things, it comes to Rs. 146.

MR. CHAIRMAN: Please cut short your speech.

SHRI K. LAKKAPPA: These are some important figures on which I am basing my arguments and consolidating my position. Therefore, I would like to quote these figures and then I will be able to conclude my speech. Let me quote the lowest figures in respect of range of minimum wages per day fixed under the Minimum Wages Act as on 30th September 1971 in respect of the other States. These figures are as follows:

	Rs.
Assam	1·50
Bihar	1·00
Gujarat	1·25
Haryana	1·25
Himachal Pradesh	1·00
Jammu & Kashmir	Nil
Kerala	1·12
Madhya Pradesh	0·97
Maharashtra	0·62
Manipur	Nil
Meghalaya	Nil
Mysore	0·75
Nagaland	Nil
Orissa	0·75
Punjab	1·25
Rajasthan	1·50
Tamilnadu	0·62
Tripura	1·12
Uttar Pradesh	1·00
West Bengal	1·12

These are the figures which are available. These have been furnished not by me but by the Government themselves. The very object and reasons of my Bill is that Government should immediately find out some remedy for all these things. The local battles of this country have taken far too much time to transform this system. I want that urgent measures should be devised by the Government for purpose of eradication of poverty.

If we are honest and if we are purposeful, in our own aim to eradicate poverty, we have to bring about a change and eliminate disparities in incomes and to stop concentration of wealth in a few hands. I therefore feel that there should be a revolutionary change brought about in the entire system in our country. In order to make this change in our system, also we have to look to the time-lag behind and the time that we would require to change such a society in which the people of this country live. We are all aware that those who live below poverty line cannot stand the test of the time.

Keeping this in mind, this Bill has been brought before the House proposing a short-cut method to bring about a revolutionary change in the society. In order to achieve this, we have to bring about certain changes in this progressive policies. If we do so, the reactionary forces are always out both here inside the house as well as outside to prevent that. When we take certain steps, we have also to see that we put a stop to the cumbersome procedure evolved and to find out a solution to the problem. That is the need of the hour. We should see that the entire business concerns, industrial concerns as well as trade with an investment of over Rs. 5 lakhs are converted into a cooperative society and they should all be organised by the employees themselves. As I have already stated, the ratio between the minimum and the maximum level of wages in all the industrial business concerns as well as commercial concerns and in other institutions—public or private—shall not be more than 1 : 5.

Sir, we demand nationalisation—complete nationalisation—of private concerns into cooperative societies. As you know, we demand complete nationalisation of all foreign-owned industries and big business houses. But, the Government find themselves in a difficult situation. And sometimes there is delay and they have to fight a legal battle and so on and so forth. In order to avoid all this, I have made certain suggestions so that there is no need for bringing about any legislation for this purpose. My suggestion is simply to convert all of them into a cooperative society. And those who are working in the industries will themselves be the owners of the property. The properties will be collectively owned by the people themselves. And this will be the first step to take by a welfare State.

As regards salaries of the employees who are working in such industries, trade and other organisations, I have suggested that they should be paid according to the nature of duties which are required to be performed by them their intelligence and risk involved in the job of everyone of them. When once they are converted into cooperative societies, the employees become the owners themselves and there will be no strikes by them. If they produce wealth, then only it can be distributed amongst themselves they being the owners. In this way, difficulties, if any, faced by them can also be resolved.

Therefore, as a first step for bringing about this revolutionary change and transformation of lives in the society in this country and in order to establish an egalitarian society at least, I would like to ask our Government not to hesitate to take immediate steps.

That is the intention behind this Bill why I have brought it before the House. I hope and trust that Government will do something in this regard. I also hope that Government will appreciate the sentiments with which I am bringing forward this Bill.

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

MR. CHAIRMAN: Motion moved:

"That the Bill to provide for removal of large disparities in wages and for removal of concentration of wealth by converting big industrial and business concerns into cooperatives managed by all for all, be taken into consideration."

*SHRI KRISHNA CHANDRA HALDER (Ausgram): Mr. Chairman, Sir, in the directive principles of our Constitution, in article 39 (c) it has been stated "that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment;" etc. The hon. Member Shri Lakappa who has brought forward this Bill was formerly a member of the P.S.P. though at present he is in the ruling Congress party. Now, Sir, from this Bill of Shri Lakappa and from the statistics presented by him, it becomes apparent that what was laid down in the directive principles of our Constitution 23 years ago, have all been ignored and nullified by the Government during the past 26 years of its rule through their various plans and policies. As a reuslt of their policies, we find today that the spirit of the directive principles have been trampled down and the wealth of our country is getting concentrated in the hands of monopolist capitalists both Indian as well as foreign while the masses are getting poorer everyday. The socialistic conscience of Shri Lakappa has started to prick him after all these years and this has induced him to bring forward this Private Members' Bill-for the removal of disparities and concentration of wealth.

Sir, I support this Bill, although it is no revolutionary Bill, as claimed by him. He has of course stated that it may not be possible for the Government to nationalise the Indian and foreign monopoly houses in view of legal difficulties likely to be encountered. He has therefore evaded the issue of nationalisation in his Bill and has advocated the conversion of all business and industrial concerns with a capital investment of Rs. 5 lakhs or more into cooperative societies. He has further suggested that the owners or partners or directors and the labour of an industrial or business concern shall become the owners of such a cooperative society. But we know, Sir, that however much we may speak about workers participation in management the big capitalists like Tata, Birla, Singhania etc. will come to control such socities also and will ultimately defeat the very purpose of this Bill. Then in clause 10 (1) of his Bill he says that if the society does not earn any profit in a particular year, then the salaries will be paid at the rate of 75 per cent in the next year.

Now Sir, the labour will also be members of the society, but if the society does not make profit due to the inefficiency of the management, then the poor labour will lose 25 per cent of their salary for no fault of theirs. Is it fair? On the other hand he is suggesting that the ratio between the minimum and maximum salary in the wage structure should be 1:5. I suggest that the minimum wage should be the need based minmium and the maximum should be, you are all disciples and followers of Mathama Gandhi, he had said that the highest salary in the country should be Rs. 500. Let us then fix the maximum salary according to that spirit allowing of course for the fall in the value of the present rupee. Let the salary of the President and others be fixed accordingly:. Why in the ratio of 1:5? More over Sir, this Bill covers only 25 per cent to 30 per cent of the force of our country who are employed in the organised sector. 70 per cent of our people live in the rural areas. 30 per cent of the population are working as agricultural labour they should also be provided with a need based minimum wage. This Bill does not take them into consideration.

18 hrs.

Today concentration of wealth is not taking place in the cities alone. In the rural areas also land is getting concentrated in the hands of big Jotdars and big ex-zamindars through various '*benami*' transactions. The old feudal system persists in the rural areas. Thus the poor farmers, the small farmers, the share croppers and

*The original speach was delivered in Bengali.

the agricultural labourers are all being exploited. Their blood is being sucked mercilessly. We should try to save them. Therefore, the burning need of the hour is radical land reforms in the rural areas.

MR. CHAIRMAN: How does land reform come in this Bill?

SHRI KRISHNA CHANDRA HALDER: Sir, why not? The short title of the Bill is 'Removal of disparities and concentration of wealth' This is taking place in rural areas also. I am relevant, Sir, However he has tried, I don't want to repeat the figures and statistics though I have them with me, to stress that Tata and Birla have come to control today about 34 per cent or 35 per cent of the total capital investment in the country. Sir, while the majority of the people are getting poorer and Jobless on one hand, let us examine how wealth is getting concentrated in a few hands. How the growth of monopolist capitalists is thriving:-

In 1966-67, the Tatas had capital assets worth Rs. 505.36 crores. But in 1969-70 their assets had gone up to Rs. 638.50 crores. That means in these few years they have a growth rate of 26.34 per cent. In the same period the Birlas had a growth rate of 37.54 per cent. Mafat Lal have a growth rate of 34.11 per cent.

MR. CHAIRMAN: Those have been quoted by Mr. Lakappa. There is no need for repetition.

SHRI KRISHNA CHANDRA HALDER: I know Sir, that is why I am not quoting many other figures. However, out of the total capital investment of Rs. 2296.5 crores in our country today, we find that the 48 big families control about 79.2 per cent of it. This shows how the concentration of monopolist capital is taking place.

The monopolies and Restrictive Trade Pratices Commission, in their annual report for the year 1.1.72 to 31.12.72, says, "As compared to 1971 the number of references received by the Commission from the Government under Chapter III declined substantially. As against 22 references received in 1971, only 10 references were received in 1972. The Commission has, however, observed that a number of cases of large magnitude and importance to the economy were decided by the Central Government without reference to the Commission."

I want to know from the hon. Minister which were those firms and why their cases were not sent to the Commission. The report goes on to say:

"The Commission cannot help feeling that there is some incongruity in that sometimes cases not involving any major issues are referred to the Commission while others, which would *prima facie* involve important considerations are not so referred."

An explanation of this state of affairs is also called for. Again at p.19 of the report it has been stated that "The Government has not so far accepted this suggestion of the Commission. The Commission would like to point out that the publication of the reports submitted by it would be in the public interest."

That means the action taken by the Commission under the M.R.T.P. Act should be given sufficient publicity. But the Government has not agreed.

At page 22 of the report it has been stated "As has already been stated, the number of cases referred to the Commission by the Government in the year 1972 was considerably less and but for the work relating to the interconnection enquiries, the Commission would have suffered from want of work."

This way the cases of irregularities by the monopolist capitalists are not being referred to the M.R.T.P. Commission. They say that they can

[Shri Krishna Chandra Halder]

handle such cases directly i.e. without a reference being made to them but since "Section 31 of the Act makes no reference to the Commission's undertaking such enquiries on its own knowledge or information. There is thus no proper co-relation between the provisions of Section 10 (b) and Section 31. This is a handicap to the commission in pursuing this aspect of its responsibilities."

Therefore I feel that the M.R.T.P. Act should be suitably amended so that the Comission may function more effectively. Sir, we know that at the time of issue of an industrial licence, the applicant has to give a declaration whether he is associated with a monopoly houses or the larger business houses. But it is well known that the monopoly capitalists are evading such a declaration through *benami*, deals, e.g., the Birlas are taking new licences in the names of Bajorias Kanorias etc. Sir, the Commission has got an intelligence wing. But the industries department of the Government has no such intelligence wing to detact such *benami* trnasactions.

Sir, in our country the quantum of foreign capital is also on the increase. About Rs. 418 crores of foreign capital is invested in our country. The case of Coca Cola Company was discussed in the House today. Sir, all these foreign companies like Coca Cola, Britannia Dunlop. Colgate are remitting large amounts of profit abroad. A study made by the U.N. in the context of foreign investment in Asian countries says: "This experience has been as follows. The greater the inflow of foreign investment, the greater has been the outflow of profits interest, service charges, consultancy fees, royalties etc." U.N. study has shown that on royalties and fees alone the developing countries are paying about 7 per cent of their export earnings and 0.8 per cent of their gross domestic product to foreigners etc."

Sir, what I want to stress is that we should take all possible measures to prevent concentration of wealth and disparities in the wage structure. I strongly feel that a national wage policy is very necessary to abolish disparities in wages. No revolutionary change is possible through such cooperatives. Concentration of wealth is taking place in cities as well as in rural areas. What is the solution of this problem? The solution is that radical land reforms should be initiated in the rural areas immediately. Land must be given to the tillers and to all those who work in the fields. All the monopoly capitalists, Indian as well as foreign must be nationalised. If we fail to do these, poverty can never be abolished or even reduced. Socialism will never come to this land. All that will remain mere empty talk. The poor masses will have to take to the path of the revolution and they will shatter the present capitalists society. No other course is open to them. Take note for this warning.

18.10 hrs.

HALF-AN-HOUR DISCUSSION

PROPOSAL FOR TWELVE YEARS SECONDARY COURSE

SHRI SAMAR GUHA (Contai): Education is the most neglected, if not the most wretched, subject as we see today in free India after 25 years of independence. I have purposely used the word "subject"; I have not used the word "problem"

Education is not even considered to be a problem except in the academic sense. They consider it a problem because the Mudaliar Commission, the Radhakrishnan Commission and the Kothari Commission produced voluminuous academic literature but not to be implemented in reality. The result is today there is deterioration in the standard of educaion and quality of education, students and teachers. There is no clear idea as to the form, structure syllabus or objective of education. A modest suggestion was