

and funds to replace the machinery or aircraft that they purchase. That is true, Sir. I mean this Depreciation Fund is mainly intended for replacement. Now, I want the House to consider this position. As a matter of fact, depreciation was allowed at the income-tax rate to all these companies. This money they utilised for purchase of new aircraft and also other material. They acquired other assets. Those assets are now available for the Government to purchase; the Government will have, in fact, to purchase them according to schedule. Therefore, they suffer no loss at all. Whatever replacement they made, and whatever was allowed to them at the income-tax rate is now tangible before us, in the shape of new aircraft and other material. Where is the harm for us to purchase them? In fact, we have to purchase them. Therefore, there is no injustice at all done to them in this matter if we are following the income-tax rate of depreciation. It would not be right on our part to be too generous with the tax-payers' money. After all, these companies were getting some kind of grants and subsidies from the Government in an indirect manner. Whatever money they were able to get, whatever profits they were able to earn, they have utilised for the purchase of new assets. This again, was in a certain measure the tax-payers' money. Therefore, there is no injustice at all if we now stick to the position that the income-tax rate of depreciation alone can be allowed and that would be fair to them. Therefore I would suggest that the Government should avoid all kinds of complication and also unnecessary doubts in the minds of the public about the purchase of these assets. In the first instance, if it is possible—I think there is no difficulty for them to adopt that course—it must be possible for them to purchase the shares of the companies at the market rate as on July 1952. If it is not possible for them to do that and if they still want to stick on to the purchase of assets, then let them at least follow this procedure of allowing the depreciation only at the income-tax rate, and not at the rate that is now contemplated, in the schedule.

One point more. I want to impress upon the hon. Minister the question of labour representation. Just as I was coming to the Parliament today, I received a telegram from the employees of the Airways India, Ltd. That telegram says that 43 employees of the Airways India, Calcutta, were served with notices of discharge under section 20 of the Air Corporations Bill. Now, that means that these companies have already begun to discharge these employees.

An Hon. Member: Even before the Bill is passed?

Shri Damodara Menon: Yes, under section 20, protection is given to the employees who have been employed on or before July 1952, but we have left the fate of the employees who have been employed after that date by the Companies in an undefined state. That is why these companies are taking advantage of that and are serving notices on these poor employees. I would request the hon. Minister to consider this very seriously and to make a provision here that those employees who are discharged now will, if possible, be re-employed when the Government takes over. Such an assurance is certainly necessary in the circumstances of the case. We should not create an impression among the employees that when the Government is taking over their interests are jeopardised. That will not create the healthy atmosphere which we want when the national undertaking is carried on under Government auspices.

Mr. Deputy-Speaker: He must reserve something for others. I have given the hon. Member sufficient time.

Shri K. C. Sodhia (Sagar): Sir, I was standing from yesterday.

AIR CORPORATIONS BILL

REPORT OF COMMITTEE ON PETITIONS

Pandit Thakur Das Bhargava (Gurgaon): I beg to present the Report of the Committee on Petitions on the Air Corporations Bill, 1953.

AIR CORPORATIONS BILL—contd.

Shri Gadgil (Poona Central): I have followed the debate yesterday and today and also the discussion that took place when the Bill was referred to the Select Committee. I should say, there was fairly unanimous agreement on the point of taking over of the air transport industry by the Government. It was only one Member, as far as I remember, who said that Air India International should not be taken over. On the other hand, many Members made a grievance that the non-scheduled operations are not being taken over. By and large, I think, the scope which this Bill has is reasonable in the circumstances of the case. If the Government had not come in the way in which it has come to the help of this industry, perhaps, the industry would have suffered very serious consequences, in spite of the fact that subsidy would have been available to the air transport indus-