[Secretary.]

of the Telegraph Wires (Unlawful Possession) Amendment Bill, 1952, which has been passed as amended by the House at its sitting held on the 4th December 1953." J5ir, I lay the Bill on the Table.

## THE ABSORBED AREAS (LAWS) BILL, 1953

THE MINISTER FOR HOME AFFAIRS AND STATES (DR. K. N. KATJU): Sir, I beg to move for leave to introduce a Bill to extend certain laws to the areas which, prior to the commencement of the Constitution, were administered as excluded or partially excluded areas and which, on such commencement, were absorbed in certain States.

MR. CHAIRMAN: The question is:

"That leave be granted to introduce a Bill to extend certain laws to the areas which, prior to **the** commencement of the Constitution, were administered as excluded or partially excluded areas and which, on such commencement, were absorbed in certain States."

SHRI M. S. RANAWAT (Rajasthan): Has the Bill been circulated?

(No reply.)

The motion was adopted.

DR. K. N. KATJU: Sir, I introduce the Bill.

# THE DHOTIES (ADDITIONAL EXCISE DUTY) BILL, 1953—continued.

Mr. CHAIRMAN: We now pass on to the consideration of the Dhoties (Additional Excise Duty) Bill, 1953. Mr. Krishnamachari.

THE MINISTER FOR COMMERCE AND INDUSTRY (SHRI T. T. KRISHNA-

MACHARI): Mr. Chairman, the other day when I was replying to the debate on this motion, I dealt with the points raised by Dr. Kunzru in regard to the schemes sanctioned in respect of subsidy and other assistance to the handloom industry in various States. Dr. Kunzru raised various points, some of a technical nature. He had certain doubts in regard to what will happen to these control measures when the Essential Supplies Temporary Powers Act lapses after five years after the promulgation of the Constitution. I will not say much at the moment, and I need not go into all that except to state that so far as the industries which come within the scope of the control of the Government of India are concerned, we have powers under which we could, with the permission of Parliament, enact law analogous to the present Essential Supplies Temporary Powers Act. The difficulty will be with regard to those commodities in respect of which the Government of India could not legislate. There is no use meeting trouble half-way and Government will consider these problems as and when they arise.

In regard to the other points mentioned by hon. Members as I said already, 25 Members have spoken and even if I had to point out the different opinions expressed, it might be that one set of opinions cancels the other. Some hon. Members said that this Bill was not good or not good enough; some hon. Members felt that this Bill was too restrictive; so that, it would mean that Government are taking a line in between the two extremes—one extreme set of people wanting more and more of restriction, the other extreme set wanting complete reservation of dhoties for the handloom, or a larger area of reservation, in which case prices will again go up. Some suggestion was made by an hon. Member that we could reintroduce control. It was said that the removal of control tended to bring down prices by as much as 20 to 30 per cent., if not more, in certain parts.

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It was mentioned by some hon. Members that | in this particular measure reference was made only to dhoties and coloured saries. Government are not oblivious to the saries with coloured borders being used. They may find, on scrutiny, that the percentage of whiteborders produced during the period under control was 1-84 per cent. I now find that among people who do use dhoties in the south, many of them already use what are called 'mulmulls'—pieces of cloth without any border. They are never prevented from using it. Some have suggested a higher price for dhoties. which would inevitably follow any restriction. This may tend to drive people to change their sartorial with any sartorial tastes. We may have to devise other areas of reservation, and so on. For all this, I may say, Sir, that human ingenuity is limitless and every device will be resorted to overcome high prices and that we cannot safeguard against it by legislation just now, but only as time goes on. There were Members, and particularly those who came from Bengal -Mr. Ghose, and Dr. Mookherjee and others-who pleaded for special treatment for Bengal mills. Well, Sir, consistently with our obligation to all mills all over India and also our obligation to help the handloom industry, I can give the assurance that I am prepared to give all possible consideration to the claims of Bengal mills; but there is an obvious limit to the extent to which I can go in this direction.

I do not propose to reply to Mr. Sundarayya's remarks because most of them are beside the point. Mr. Parikh suggested that I should use the proceeds for subsidising yarn. Of course, some portion goes for subsidising yarn or straightforwardly for subsidising of cloth. But no single item would solve the problem because the type of subsidy varies from area to area and I do not think what he has in mind which is gathered from his experience in one part of Western India, would suit either the Deccan or

South India. Shri Sobhani suggested that the handloom Board should be reconstituted but he did not give any reason for that. Government are satisfied with the present Board. It contains people who know about the handloom industry.

Excise Duty) Bill, 1953

Once the Board is established, you will have to give some time for it to work. They are, at present, doing useful work.........(Interruption.)

SHRI M. MANJURAN (Travancore-Cochin): May we have an idea of the useful work done by the handloom Board?

SHRI T. T. KRISHNAMACHARI: If my friend puts in a question in the usual way, I am prepared to lay a statement on the Table.

SHRI M. MANJURAN: He referred to some useful work done by the Board; we would be interested in knowing that. The hon. Member says things without verifying facts, and makes categorical assertions on things.

MR. CHAIRMAN: Without verifying facts? That is your suggestion.

SHRI T. T. KRISHNAMACHARI: I now come to Prof. Malkani. I didn't quite catch what he said, in spite of his low tempo. But I understood him to say that he objected to my langu age but he did not object to the mea sure. I didn't comprehend his objection and so I could not very well reply......

PROF. N. R. MALKANI (Nominat ed): I was saying that your policy was half-hearted......

SHRI T. T. KRISHNAMACHARI: Sir, in order to enthuse his hearers, the 'hon. Member used to whip up enthusiasm in himself first. I am not in the happy role that my hon. friend

is in life........ (Interruption) I share with him that people from South India speak very fast: I do not think that the Chair is an exception......

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MR. CHAIRMAN: That is not very relevant.

SHRI T. T. KRISHNAMACHARI: Sir, it is not. Another hon. Member put Prof. Malkani's objection in a more mellowed way. As I said, Government are taking a line. It is not that it is a question of having to take a line in between two courses suggested by hon. Members. My hon. friend Dr. Seeta Parmanand would like the reservation to be a larger one. Yes; if the reservation is not adequate and if the recommendations made by an expert committee that is going into the matter are to that effect, thftj I am certainly prepared to consider this question. Sir, that more or less completes the salient points that have been made by hon. Members. But as I said. I do bear in mind the fact that there are two sides to this question, and both the sides are candid. And all that I can say is that I find myself in the middle position.

Before closing, Sir, I would like to emphasise one point, namely, that this Bill does not take away in any measure the strength of the order which Government imposed in November 1952, namely, that there should be a reservation. It only provides an alternative method for Government to impose its will on the mill industry. But the consequences of this measure are the same as the consequences of the restriction order, namely, the prices of mill dhoties would go up. If the demand is higher than the supply and the handloom dhoties are not cheap enough and they do not take the place of mill dhoties, obviously in that area the price of mill dhoties would go up. And that is why we think we should give some help to the handloom dhoties where the cost of production is high. And if that point is appreciated, then there would be absolutely no objection to this Bill. And if the hon. Members object to the restriction order on the ground that it induces high prices, I agree that the same defect can be attributed to this Bill as well. We do

admit, Sir, that there is a defect, and subject to that I can say that there can be no objection to this measure-that has been brought before this House. Sir, that is all that I have to say.

SHRI S. N. DWIVEDY (Orissa): Sir, I wanted to know the names of the-mills that have violated this Order.

SHRI T. T. KRISHNAMACHARI: I require notice for that.

SHRI S. N. DWIVEDY: But I raised the point in course of the debate.

MR. CHAIRMAN: The question is:

"That the Bill to provide for the levy and collection of an additional excise duty on dhoties issued out of" mills in excess of the quota fixed for the purpose, as passed by the House of the People, be taken into consideration."

The motion was adopted.

MR. CHAIRMAN: We shall now take up the clause by clause consideration of the Bill. On clauses 2 and 3 there are no amendments.

SHRI B. C. GHOSE (West Bengal): Sir, I wanted a clarification from thehon. Minister. That is about the wording in the Ordinance and in the Bill. The wording used in the Ordinance was "The dhoties which may be packed by any mill during any quarter." And in the Bill the wording is "...... issued out of any mill". I should like to know as to why this difference in language has been introduced in this Bill, and what is the significance of that?

SHRI T. T. KRISHNAMACHARI: The significance is merely that production does not attract the provisions of this excise. And from the point of view of the collection of excise it is found that it is better. Actually what has happened is that somehow these people have come to know about it and they produce a little more. And therefore, the mere

question of production does not attract the provisions of this excise. It is only when it is delivered. It is an improvement, Sir.

SHRI B. C. GHOSE: What would happen to any extra production that the mills might have made before this Ordinance came into effect and that had been packed?

SHRI T. T. KRISHNAMACHARI: In point of fact, Sir, the whole basis is the basis of a quarter and there must be an ad hoc collection. But the collection would be adjusted against the deliveries in the whole quarter.

SHRI O. SOBHANI (Hyderabad): In clause 3, Sir, the words mentioned are "during any quarter". There are four quarters in a year. But I find the Bill comes into operation on the 26th day of October. If the hon. Minister will kindly elucidate that point, I may be saved the trouble of moving .my amendment.

SHRI T. T. KRISHNAMACHARI: Sir, it is the intention that the Bill should come into effect on the day the Ordinance was passed. In fact the Bill only confirms what the Ordinance has done. The Ordinance was passed on the 26th day of October; and since the quarter has been defined as the period of three months ending on the last date of March, June, September and December, this particular quar-.ter will be a short quarter.

SHRI O. SOBHANI: Is the Ordinance dated 26th of October?

Shri T. Т KRISHNAMACHARI: •yes.

MR. CHAIRMAN: The question is:

"That clauses 2 and 3 stand Dart of the Bill."

The motion was adopted.

Clauses 2 and 3 were added to the Bill.

MR. CHAIRMAN: We now take up clause 4. There are five amendments, Prof. Malkani is not here. So his amendment drops.

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SHRI O. SOBHANI: Sir. in view of the explanation given by the hon. Minister, I do not move my amendment.

SHRI KISHEN CHAND (Hyderabad): Sir, I beg to move:

"That, at page 2, lines 44-45, for the words 'duty of excise' the word 'cess' be substituted."

"That at page 2, line 47, for the words 'duty of excise' the word 'cess' be substituted."

"That at page 3, after line 3, the following be added, namely: -

'(3) The proceeds of the cess will be utilised entirely for the development of dhoties by the handloom industry and reduction in the price of handloom products and equalise them with the price of mill dhoties."

Mr. CHAIRMAN: Now clause 4 and the amendments are open for discussion.

SHSI KISHEN CHAND: Sir. I have already pointed out-when the first reading of the Bill was being discussed—that this is more or less a penal Bill and if we call it "The Dhoties (Additional Excise Duty) Bill," it looks as if we have enhanced the rate of duty. In order to bring out the penal part of it I suggested that instead of calling it "additional excise duty" if it is called "cess", it would be far better, and if this cess goes into the public account and not into the Consolidated Fund of India it can be utilised for any purpose that the Bill may desire. And therefore in the third amendment I have tried to gain the underlying object of the Bill, that is to encourage handloom industry as far as the manufacture of dhoties is concerned. In fact, Sir,

[Shri Kishen Chand.] the need of a Bill like this arises because there is a difference oi! price between the handloom dhoti and the mill-made dhoti. So. if we wart xo penalise, the consumer by levying this additional duty, or cess as I would like to call it. then the proceeds of this cess should go to bring down the price of dhoties manufactured by the handloom industry. And if the price of dhoties manufactured by the handloom industry comes down, then there will be no incentive for the mills to manufacture in excess of their quota and the object of the original Bill will be fulfilled. And therefore. Sir. with these few words, J. move my amendments.

SHRI T. T. KRISHNAMACHARI: Sir. I am afraid I am unable to accept the amendments moved because I still fail to understand the 20gic behind the amendments. Sir, the difference between cess and duty is certainly very wide, and we do not want tj levy a cess. Nor can a cess be a penal cess. As to the question of earmarking this fund for the development of the handloom industry, I have said, Sir, that the collection from this excise duty did not limit the amount of expenditure that the Government was making either for the handloom industry or for lihadi. We realise our responsibility, and in view of that assurance that the development of the handloom industry or khadi did not suffer merely because the collection from this special excise duty fell short of our needs, I do not see how the plea that the collections should be earmarked for this purpose can be justified. Besides that, I do not really expect much by way of collections on this account. 1 would rather wish that the mills played the game. I can visualise only about Rs. 10 or 12 lakhs coming from this excise duty and no mill will really go beyond the quota allowed to it. In these circumstances, I fail to see the significance of this amendment, and I am therefore unable to accept it.

PROF. G. RANGA (Andhra): I clo hope that the hon. Minister would give us some indication as to the emergent steps that Government propose to take in order to go to the rescue of our weavers in their present

crisis of not finding any market for their stockpiles.

Excise Duty) Bill, 1953 1426.

MR. CHAIRMAN: Mr. Rar.ga, we are now discussing the amendments. , You take care of what you are doing.

The question is:

"That at page 2, lines 44-45, for the words 'duty of excise', the word 'cess' be substituted."

The motion was negatived.

MR. CHAIRMAN: The next two amendments (Nos. 7 and 8) fall.

The question is:

"That clause 4 stand part of the Bill."

The motion was adopted.

Clause 4 was added to the Bill.

Clauses 5 and 6 and the Schedule were added to the Bill.

Clause 1 and the Enacting Formula were added to the Bill.

MR. CHAIRMAN: There is an amendment to the Title, but it falls.

The question is:

"That the Title stand part of.'the: Bill."

The motion was adopted.

The Title was added to the Bill.

SHRI T. T. KRISHNAMACHARI: Sir, I beg to move that the Bill be returned.

MR. CHAIRMAN: Motion moved:.

"That the Bill he returned."

SHRI S. MAHANTY '(Orissa): Mr. Chairman, this Bill is in the last stage of its passage to me statute book1427

#### MR. CHAIRMAN: What is agnostics?

SHRI S. MAHANTY: Agnosticism, God, life after death and so on and so forth, but he did not condescend to reply to those points which were so pertinently raised. I sympathise with him. I pity him.

### MR. CHAIRMAN: Why?

SHRI S. MAHANTY: I pity him because he says he is a creature of cir- cumstances. With all humility, may I point out to him that man is as much a creature of circumstances as circumstances are the creatures of men. The hon. Minister is not an ordinary mortal. He is a man and in the given context he is a superman. At least he is professing to be. Therefore I thought that, he should be the creator of circumstances, and he should not have abjectly surrendered himself to certain tendencies or circumstances. He said that this was not a question of logic. May I ask him, Sir, "What is the basis of this legislation?" Is it sentiment? Is it poetry? Is it dream? Or is it phantasy? I beg to differ from him. I say that logic should be the very basis of our approach to the multitudes of problems that are besetting us today. Well, Sir, we stand for logic. If you cannot convince, it is no good your carrying any particular piece of legislation with the strength of a majority. I feel ashamed; I did not expect that I should get such a reply from the hon. Minister.

Then, Sir, the second point is: How-is this particular piece of legislation, going to promote the handlocm industry? That point has not been answered. And the third and the most

important point with which I am concerned is this: It has been mentioned

in the Statement of Objects and Reasons:

"While mills have, by and large, conformed to this restriction, certain units have produced dhoties in excess of their quota."

Here restriction means the restriction! imposed on the production of dhoties beyond 60 per cent. My hon. friend, Mr. Dwivedy, asked which were the mills which exceeded the quota, and the hon. Minister replied, in a cavalier fashion, "I want notice". "Certain units" they say have exceeded the limit. Government must have been therefore aware of the mills which exceeded the limit. Otherwise, they would never have used the words "certain units". We wish to know the names of the mills which exceeded the limit and contravened the Order; even though it was an executive order issued under delegated authority, it was at the behest of Parliament. It was at the behest of both Houses of Parliament and we wish to know the mills which contravened the Order. I am surprised that the Government should accept this position with such levity. It is an undeniable proposition that certain units have contravened an Order passed by Parliament, a legislation passed by Parliament, and the Minister comes forward with a measure not for penalising the people who contravened the-Order in the past but those who will contravene it in the future. I can understand so far as the prospective effect of this measure is concerned

But what retrospective effect will this Bill have on those mills which contravened the law which was passed by this Parliament? The hon. Minister has not replied to those points. Therefore I consider it my painful duty to again take my standi

[Shri S. Mahanty.] and to invite his attention to all those points that I raised.

MR. CHAIRMAN: Mr. Sobhani. You must be brief as we have to finish this by Ave minutes past three.

SHRI O. SOBHANI: In my earlier speech I had said that I was trying to obtain information as regards the constitution, the functions and the personnel of this handloom Board and that I had not obtained it. Since then I have got a copy of the Gazette dated 25th October 1952 wherein the personnel and the functions of the Beard were announced. It is a matter of nearly 14 months since this Gazette was published and I feel that the House is entitled to know what this Board has done in the meantime and and I do not think that the hon. Minister should wait for notice of a question in a matter like this. After all the hon. Minister has budgeted for Rs. 3J crores which is a pretty large sum. I hope even at this late stage the hon. Minister will condescend to enlighten the House as to what the Board is doing. I am glad to learn that among the non-official Members we have friends like Prof. Ranga and Shrimati Kamaladevi Chattopadhyaya and if these people are on the Board, I am sure they will do justice to the industry. As I said in my speech. these are matters which concern everybody the Congress and Opposition and I: am consistent with that attitude.

SHRI GOVINBA REDDY (Mysore): Sir, I wish to refer to some of the most important points not covered by the debate. This Bill, I consider, does not afford much, incentive for the handlooms in the matter of production. It is beneficial in the sense that it yields duty to the Government and that money will be made use of for • the improvement of handlooms. Of course, nobody can dispute that. Dhoties are not the largest item of handloom products. Saris, lun-gies, etc. are the largest items of handloom products. It is not the good

sense of men that have supported this industry all along. It is the good sense of our women and particularly of the rural kind that has supported this industry. They have a sense of economy and they don't go in for millmanufactured saris because they do not last long. Handloom saris are known to last long and generally the rural population goes in for hand-loom saris. It is this item in the home market which has supported this industry all along. The other item which I referred to was lungies which are generally exported. In fact this handloom industry has been supported in the home market by saris and in the foreign market by lungies in Far East Aden and in Africa where they are sold and where they had a thriving market. The export seems to have suffered some check in recent years. I would like to suggest to Government to explore development in these respects. As far as consumption of saris is concerned, there is a rude shock given to the good sense of our women. The Government have been generous in importing yarns of fibres and art silk. Saris have been manufactured with these products and saris are selling in the home market at the prices of handloom cotton saris. Those who were buying cotton saris and supporting the hand-loom industry have now taken to this glossy thing which appears very nice to the eve. The demand for handloom saris has fallen considerably now.

SHRI T. S. PATTABIRAMAN (Madras): These are also manufactured by the handloom

SHRI GOVINDA REDDY: Yes, but we are not manufacturing art silk in the country here. We are importing it. Instead of getting that, imported material and displacing the demand for handloom sails it should be possible for Government to put a check on the import of this fibrous material and encourage the production of handloom saris—cotton saris. The other factor is also worthy of consideration by Government, viz., they will

One of the fundamental princ' -pies of have to explore the possibilities of developing economics is that tn incidence of suffering of the consumer should be reduced as quickly as possible. It is also another principle of economics that the period of protection should be shortened. If that is so, we should make the penalties in this Bill as stiff and as effective as possible so that the enemy of the handloom—the textile eliminated altogether. In watching been handloom the

the last 40 years I have the progress industry this in It has been beautifully country. developing partly as a result of the industry and enterprise of the work ers, and partly as a result of the pat ronage which our Government has given.

mill—may

I have nothing more to say except to wish this industry the greatest success possible and also the greatest destruction possible to the cotton textile mill industry.

3 P.M.

SHRI T. T. KRISHNAMACHARI: Sir, I do not propose to go back into the metaphysical region to which my hon. friend Mr. Mahanty will try to take me whether I like it or not. As regards the point raised by Mr. Sobhani, I am glad he has now found the Handloom Board constituted by persons who are respectable. In regard to the work of this Board, I do propose to submit a report to Parliament about its working. But after all we should allow a little time to elapse for this purpose. But what has already been done is already known. We have sanctioned schemes for Rs. 2:5 crores and the Handloom Board vetted the schemes submitted by the States and I have already given some details of what has been done by the various States. I shall, before the year is out, submit to the House a report of the work done by this Board.

Mr. Govinda Reddy said something about art silk being cheaper than cotton saris.

the export market. We see in recent^ years that blouses of handloom manufacture have caught the fashion of the most fashionable minded in the cities. They are such as Ichalkaranji with a large border. They are the fashion of the day. If these things are exhibited in foreign countries, they will catch the imagination of the people there. Government should try to make this a fashion and develop this fashion. If Lord Byron could make his limping the fashion of the day, I don't see why we should not make our attractive handloom products the fashion abroad. I would like the Government to go into these aspects.

PROF. G. RANGA: I would request the hon. Minister to give us an indication, if it is possible today, otherwise at the earliest possible occasion in this House or in the other, as to the emergent steps that Government proposes to take in order to relieve the present phase of distress of our weavers and also to supplement the resources of the State Governments in providing relief works and take over these huge stocks that are already there in the hands of the handloom weavers and their co-operative societies, etc.

SHRI RAMA RAO (Andhra): Sir, I come from a town which is famous for its handloom products and therefore if Mr. Mahanty thought that he should oppose this Bill, I say I will support it with all my heart and with all my soul. The Bill has been subjected to a good deal of hammering but I am sure the Minister in charge will admit that it was a very friendly kind of hammering. Most of our difficulties arise because we have only a tentative policy with regard to our textile industry. Let us make up our minds as to what we are going to do. In my opinion we should so develop our policy as to make it unnecessary to have any textile mill in this country. That at least would satisfy the soul of Mahatma Gandhi.

105 C.S.D.

SHRI GOVINDA KEDDY: I said saris made of rayon.

Industrial Disputes

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KRISHNAMACHAEI: Shri T. T. Yes, I mean rayons. But it depends on what the sari is. If it is made of imported stuff it must cost a lot more and even if it is made of rayon made in the country, it cannot be cheaper for .....

SHRI GOVINDA REDDY: If you will excuse an interruption. I may inform the hon. Minister that these saris are being sold for Rs. 7 and Rs. 5. The prices range from Rs. 5 to Rs. 10 a sari. And they look exactly like silk saris.

SHRI T. T. KRISHNAMACHARI: Presumably somebody must be losing a lot of money if they are selling cheaper. Taking a long range view of it, all the countries interested in textiles want to know what the prospects will be of these artificial fabrics. But I am sure that so far as cotton saris are concerned, they are at present perfectly safe. I do not know very much about the sartorial get-up of the other sex and I must take the information that Mr. Govinda Reddy gives

AN HON. MEMBER: He is a bachelor.

MR. CHAIRMAN: Order, order.

Shri T. T. KRISHNAMACHARI: Prof. Ranga wanted to know about the emergency steps to be taken. Well, "emergency" is a word that has been handed to us by the British and it really means nothing. Prof. Ranga is also a member of the Handloom Board and he knows the schemes sanctioned for Madras. I thought he must have seen the large thick paper on which they were given. Probably he did not attend the meetings of the Board.....

PROF. G. RANGA: No. I was referring to supplementing the resources of the State Governments.

SHRI T. T. KRISHNAMACHARI: The Board has given the supplementary resources. Apart from the specific grants to the extent of some Rs. 1 crore and 5 lakhs a certain amount of recoverable loan of about Rs. 57 lakhs is given to these States to supplement the finances of the States. At present we are concerned in adjudicating between the claims of Andhra and the Residuary State with regard to the amount. The money has been made available. So far as emergency rs concerned,-of course emergency does exist in certain quarters,- the report from Madras is that roughly from about September, the position is fairly steady and there has been a better off-take of handloom goods. There may be some emergency in isolated pockets, but the general position is much better than, what it was in early 1952.

(.Amendment) Bill, 1953

Sir, that is all I have to say at this stage.

MR. CHAIRMAN: The question is:

"That the Bill to provide for the levy and collection of an additional excise duty on dhoties issued out of mills in excess of the quota fixed for the purpose, as passed by the House of the People, be returned."

The motion was adopted.

### THE INDUSTRIAL DISPUTES (AMENDMENT) BILL, 1953

Mr. CHAIRMAN: Now, we take up the next item on the agenda-The Industrial Disputes (Amendment) Bill.

THE MINISTER FOR LABOUR (SHRI V. V. GIRI): Sir, I move:

"That the Bill further to amend the Industrial Disputes Act, 1947, as passed by the House of the People, be taken into consideration."

Mr. Chairman, the Industrial Disputes (Amendment) Bill, as passed by the House of the People, though a short one, is clearly an important piece of legislation. It provides for a measure of compensation to workers