Mussoorie, 12/4/62

State Enterprises & their Social Obligations

(643)

Obligations of any enterprise – 1) To shareholders or investors
2) To Employees
3) To community or State
4) To consumer

State Enterprises – + ∵ of public money & accountability
moral – Mr R Leslie Mitchell I

Spell out

I Profit or dividend – No incentive AK Chanda p4
Yardstick of efficiency –
Test of market – KB Lall
Galbraith: P.O. socialism profits of St Enterprises &
USSR – Turnover tax Profit
(1959-60)
At present – Average 0-2%
Re: rise within 5 or 6 AK Chanda p4
What should it be?
R Leslie Mitchell II Depends on competition
7 to 20% 3/62 Investment in G.O. I securities & bonds
Cf. 7% tax free current rate in market – earns 4½ to 5% before tax without any risk.
Minimum 10%
Maximum – in monopoly conditions – 20%

Shares for Public? Congress Party's Committee 1959
Gaitskell 20 to 25%
1960 – Magic Commission
Easy marketability the essence

II Fair Wage –
Fair Deal

Association with management – But no representation on Board (Vishnu Sahay Committee 28/7/61)

Collective Bargaining – Right to Strike.
Postal Strike 1957
Govt " 1960.
or Arbitration.

Asoka Mehta on Labour policy
T. Unionists getting arrested.

III Taxes –
No discrimination – Mixed Economy
Present position –

Company Law – S. 620 Asks power in Govt. to exempt State Enterprises from several Sections.
My Minute of Dissent.