

[*Shri Pratap Bhanu Sharma*]

could function as separate limited companies, then there could be a definite improvement in the quality of its management. If these mills are better managed, the production of textiles in this country would increase. Hence by running the mills on professional lines we could turn these mills into profitable units.

13. 00 hrs.

In the end, while supporting the Bill, I would say that it was presented at the appropriate time, with necessary amendments and by-laws in the House, and this would bring about an improvement in the quality of management and in the functioning of the 6 mills under 'Swadeshi' Group of Cotton Mills. I would now conclude by expressing my thanks to the hon. Minister for his efforts.

13. 01 hrs.

The Lok Sabha then adjourned for Lunch till Fourteen of the Clock.

The Lok-Sabha re-assembled after Lunch at Five minutes past Fourteen of the Clock

[MR. DEPUTY SPEAKER *in the Chair*]

STATUTORY RESOLUTION RE:
DISAPPROVAL OF SWADESHI COTTON
MILLS COMPANY LIMITED (ACQUISITION AND TRANSFER OF UNDERTAKINGS) ORDINANCE

AND

SWADESHI COTTON MILLS COMPANY LIMITED (ACQUISITION AND TRANSFER OF UNDERTAKINGS) BILL—*CONTD.*

[*English*]

MR. DEPUTY SPEAKER: Shri Thampan Thomas. Only five minutes please. There are so many members who want to speak.

SHRI THAMPAN THOMAS (Ernakulam): I welcome this Bill because this is meant for the acquisition of private property. But I would like to draw the

attention of the hon. Minister as to how it was mismanaged earlier and how the Government was compelled to take it over under the Industrial (Development and Regulation) Act. Usually, it is very difficult to invoke the jurisdiction under the Industrial (Development and Regulation) Act for a textile mill, because it is not a scheduled factory and it does not come under the Schedule. It can only be taken over on the ground of public importance. I understand that this 'public importance' factor can be applied, or it came into being only because a large sum of money was taken by this Company from public institutions. And that money was spent not in the interest of the company or for the development of the factory. The money was misused. So, in this context, the Government was compelled to invoke the jurisdiction of the Industrial (Government and Regulation) Act.

Therefore, this Bill will bring light how the private companies are making money at the cost of public exchequer. This is so in the case of most of the private enterprises in this country. By and large, these private entrepreneurs take money from the public institutions, invest it in their factory and they spend it mostly for their own purposes. Ultimately they make the company sick and the Government will be compelled to take it over. Therefore, in this light I welcome this Bill and here I would like to suggest that since the management of the Company have misused the public funds and because the jurisdiction under Industrial (Development and Regulation) Act was to be invoked on account of public interest, no compensation should be paid to the company. It should be taken over without any compensation so that it will act as a lesson to the other people also who are misusing the public funds.

Another aspect which I would like to point out in this context is about promulgation of ordinances. It appears that there was an ordinance in April 1986. This seems to be the trend of the administration or the executive in this country. Even when the Parliament is in Session, they happened to pass the ordinance. The usual practice of executives in various State Governments

seems to be either making ordinances or re-promulgating the ordinances without placing the matter before the legislative fora. I know about this trend very well because in my State 203 ordinances have been passed and 34 ordinances have been re-promulgated. This is a fraud on our Constitution. We are the elected representatives of the people of this country and as per democratic process, these matters should be discussed in this forum and we should be given opportunity to involve ourselves in this process. It is very important that the mind of the representatives of the people should be ascertained on such vital matters. Instead of that, the administration is resorting to promulgation of ordinances.

After all, five years is the given period in the Industrial (Development and Regulation) Act for running a company and the maximum period can be extended upto 8 years. But after that 8 years, again an ordinance was brought in and a Bill is coming. I would like to urge through you, Sir, that such ordinances should not be brought and re-promulgated in this manner.

Then Sir, the failure of the textile policy is also very well evident. The labourers have been looted. Their gratuity has not been paid and even their provident fund could not be paid. Various kinds of payments which are due to them were not given to them and the funds were mismanaged. There was no criminal prosecution against the management in this respect. According to the New Textile Policy, you want to modernise the textile industry. But I would like to submit that modernisation should not be done at the cost of the workers, interests.

Secondly, it can be seen that the company is going to be paid about Rs. 24 crores. But I suggest that that money should not be given to the company so that it would serve as a lesson for other companies. Wherever companies are made sick due to mismanagement, Government should

have the courage to take over those companies without any compensation. Thank you Sir.

[Translation]

*SHRI R. ANNANAMBI (Pollachi) : Mr. Deputy Speaker, Sir, on behalf of my party the All India Anna Dravida Munnetra Kazhagam, I rise to say a few words on the Bill nationalising the Swadeshi Cotton Mills Company Limited, Kanpur.

In April, 1978 the management of the six textile undertakings belonging to this Swadeshi Cotton Textile Mills was taken over by the Central Government in the interest of workers. After eight years, through this Bill these six textile undertakings are being nationalised. I wholeheartedly welcome this measure. The former management had exploited all these six undertakings and they made them sick. Now in this Bill there is a provision for giving a compensation of Rs. 24.32 crores. I cannot accept this proposition. The payment of compensation to the tune of Rs. 24.32 crores will deny the Government further funds for investment in them. The Government requires a further amount of Rs. 37 crores so that the installed capacity is fully utilised. In these circumstances, I suggest that no compensation should be paid to the erstwhile management.

In case the compensation is going to be paid to the former management, then I demand that the management's dues to the Provident Fund account of the workers should be deducted. Similarly, the tax arrears of the former management should also be deducted from the compensation amount.

The textile magnates who did not hesitate to fleece the textile units for their aggrandisement have now started to enter the power loom sector under the new textile policy. They will do the same thing with power looms also. But it must be borne in mind that the new textile policy has led to large scale unemployment of handloom weavers.

[*Shri R. Annanambi*]

About a crore and more handloom weavers are on the verge of being exterminated. The State Government of Tamil Nadu has brought this to the notice of the Central Government about the critical situation being faced by the handloom weavers in Tamil Nadu. Our hon. Chief Minister, Dr. M.G.R. in the meeting of the National Development Council and also in other forums, has highlighted the woes of handloom weavers with the emergence of powerlooms. After agriculture, handloom sector generates the maximum employment opportunities. We cannot afford to finish the handloom sector. I take this opportunity to demand that the new textile policy should be so modified as to give full protection to the handloom industry. In the interest of crore and more handloom weavers the hon. Minister of Textiles should ponder over this and do the needful immediately.

I would also like to suggest that the Government should have a uniform policy in the nationalisation of textile mills. I do not think there is any need for the Government first to take over the management of such sick units and after some year take over the entire institution. This delays the normalisation process in the textile industry. For example, for the past two years and above, in Coimbatore, Ramakrishna Mills, Vasantha Mills, Janardhana Mills, and Bhavani Mills have remained closed. This has brought thousands of textile workers to the verge of starvation. The families of mill workers are starving and they cannot give milk to their crying children. The hon. Prime Minister who is an incarnation of generosity and whose commitment is unwavered particularly in respect of eradication of poverty should order the taking over of these four mills in Coimbatore so that the thousands of workers are saved from being exterminated.

Before I conclude, I would once again suggest the modification in the new textile policy in the interest of handloom industry.

With these words I conclude my speech.

SHRI BANWARI LAL PUROHIT (Nagpur): Mr. Deputy Speaker, Sir, I welcome this Bill wholeheartedly. The Bill

is essential, because it provides security to the textile mill workers. However, certain questions also arise along with it. Firstly, the Government has not been able to take any action against those industrialists who had established their industries some 50, 80 or 100 years ago and for which the workers have toiled very hard without receiving any benefits, inspite of the fact that the mill owners have earned crores of rupees. My point is that these capitalists have thrown away the workers from their mills and the Government merely looked on helplessly. No action was taken against them. On the contrary, we are paying Rs. 24.32 crores in the form of compensation to the mill owners, so that the creditors could get some of the money. But, I would like to inform the hon. Minister that the creditors and the millowners are jointly responsible for ruining the mills in such a way that those mills have turned into sick units today. These people have paid money on credit at the rate of interest of 25 to 30 per cent per annum. You are paying them compensation when they have already misappropriated several times the amount from the mills. Therefore, there is no need to pay any compensation to them. I would request you to formulate a rule by which you could take over the sick mills directly and grant only Re. one as token compensation. I would urge you to nationalise these sick units only in this way . . . (*Interruptions*) . . . You may give a silver coin if you so wish.

These industries have become sick because of corruption and mismanagement. Now you plan to bring these mills under N.T.C. However, I would urge that every caution must be exercised while taking such a step. Only those who are honest, capable and with experties in the relevant field should be selected for management positions and while purchasing goods you should be very careful so that there is no quarter for any corruption. Here the cases of thefts occur frequently and for this reason the 'Watch and Ward' system must be strengthened and more so because goods worth lakhs of rupees are pilfered. You must prepare a Central agency so that even a pin cannot be taken out. You have several schemes and packages by which you hope to achieve a lot, but unless you prepare a

management cadre consisting of honest and capable people and recruit experienced and able purchase managers, the possibility of corruption in the sphere of sale and purchase of goods will always be there. The corrupt persons might sell the goods at a cheaper rate and in this way your commodities would be plundered. I would request you to keep these points in mind and strengthen the N.T.C.

You must pay attention to other areas also. Today, the Tatas who are considered to be the biggest industrialists in the country have declared a lock-out in their Empress Mill. This has been done inspite of the Government not agreeing to it. How could the industrialists think of taking such steps. That mill in Nagpur was 120 years old and had been established by Late Sir Jamshed ji Tata. Today, it has turned into a multi-million empire. Even then it has been closed down in a shameless manner and as a result, 7 thousand workers have been thrown out of jobs without their cases being considered at all. They are not being paid for the last two months and their children are facing starvation. The Government and especially the hon. Minister must pay his kind attention to this matter immediately. I want that such provisions are made in the Bills so that the industrialists are not able to have their own way. What they do at present is to increase their personal assets. When any mill is nationalised, provision should be made in the relevant Bill to empower the Government to attach even the personal properties of the Directors. Only then these people would learn a good lesson. Unless you give proper attention to this matter, these people would go scotfree. Then they start some other industry by which they earn crores of rupees. The workers who have toiled day and night and under all weather conditions to make the industry strong are thrown helpless on the roads. The Government must pay attention this as well. I want that stern action must be taken by the Government against the Tatas for the conditions created in the Nagpur Empress Mill by them. We feel ashamed that the Government is standing with folded hands before the Tatas. What is the need of doing like this? The Govern-

ment is granting crores of rupees to the Tatas and if they want more money, they can take it as a loan from us. In spite of this, they are saying that they would not open Empress Mill regardless of what action the Government may take against them. They come along with Mr. Palkhiwala to argue. How could they dare to act in this manner? This is a most opportune moment to teach them a lesson. Nearly 50,000 people depending on 7,000 workers of the Empress Mill are literally on the roads. Now it is your responsibility to do something about these people. This is my request to you, Sir.

[English]

SHRI NARAYAN CHAUBEY (Midnapore) : Sir, I welcome this nationalisation of the Swadeshi Group of Cotton Mills and so I do not want to speak on that. But I want to speak on some other points. Sir, just now the question of taking over of cotton mills came up here. The process is going on. First of all we will take over. So some years had passed. Then there is a big loss. People then move the Government. Then you nationalize. Then again the losses continue. I hope our Minister will put an end to these things. How to do it? He knows pretty well that if experts who can manage the mills, who can be whole-time Chairmen of such mills, who have interest in saving these mills and have some national spirit are not brought to the Boards of Directors of these nationalized mills, even God cannot save these mills. They will always continue to drain out money from the national exchequer. So, this should be looked into by our hon. Minister.

The previous speaker wanted to make the point about the Express Mills. I wholeheartedly support him. Thousands of workers are on the streets. I am glad that our Minister has not taken it up mildly with the Tatas. He may be strong with the Tatas. Some other Ministers will be weak towards them. So, no results come out. I am told that he has said that Tatas would not close the mills. But it should really be seen that the mill is not closed, and it is kept open. If Tatas still insist on closing the mills...

SHRI BANWARI LAL PUROHIT :
They have already closed it down.

SHRI NARAYAN CHAUBEY : I hope Government will take necessary action. If you want, you can take it over, but the workers should not suffer. The mills are started by the management, but it is the workers who create wealth. Then the management loots its wealth, just as in the case of sugarcane, we take juice and then throw it away. (*Interruptions*) The management should not be allowed to take the juice out of the workers. Otherwise, what is the meaning of people like us sitting here?

We had met the Minister regarding the Central Cotton Mills at Howrah. There is a threat that this cotton mill would be closed. He has promised that he would look into it. I will enjoin upon him to see that this cotton mill is not closed. He should see that it is nationalized. It is a viable mill which can be run, provided there is expert management. The Minister said that it was difficult to get expert management, because the private sector pays more money, and we get only people who cannot deliver the goods.

I will end by saying this : although it is not your area directly, it is still your area, indirectly. Now about the Nagda Gwalior Rayon Mill of Birlas. A strike is going on there from 21st March 1986. Mr. K. K. Potdar has got several mills which produce cloth out of the fibre produced at Nagda Gwalior Rayon. He said that if these mills were not opened, 18 plants which produce cloth out of this fibre would be closed down. He himself said that this strike should be settled soon, and the factory opened. Otherwise, 10,000 tonnes of this fibre produced at Nagda, would have to be imported. It will cost a huge amount of foreign exchange. Moreover, there is huge deficit in the export-import trade. The Minister should look into this.

While I support this Bill, I request the Minister to see that the area of operation by NTC is properly looked after. You cannot do it in a piece-meal manner. Otherwise, the only alternative is to nationalize the textile sector.

[*Translation*]

SHRI HARISH RAWAT (Almora) :
Mr. Deputy Speaker, Sir, I have not much to add to what my learned friends have already said in this regard. I want to make a request to the hon. Minister that he should examine that after taking over of a mill by the Government, the top management generally maintains a mental and economic link or partnership with the ex-owners. Whatever mills were handed over to N.T.C. after their take over are, for this very reason, running in loss because their management has not been changed.

You have repeated your promise to reinstate their employees through this Bill. You should also see to it that the old executives who are responsible to make the mills sick are shunted out of the mills, because these very executives had forced the Government to take over the sick mills.

As my friend Mr. Purohit has said that generally it is seen that when a company is formed, the major share of funds belong to the

Government. The mill-owners use its maximum capacity and after earning huge profits, declare the mill as sick. To fulfil the social obligation towards the labourers employed in the mill, Government has to take over that mill.

The mill-owners know this fact very well that with a view to fulfil the social obligation Government will have to take over a sick mill. The mill becomes sick, but the owner on the other hand enjoys at the pretext of this sickness of the mill. He floats two or three new companies and enterprises and his money grows like anything. He borrows loans from financial institutions and thus makes his fortune. On the other hand, the burden on the society and the Government continues to grow.

While taking over a sick mill, if you find that the mill has become sick due to the fault of the management, then minimum of the compensation should be paid for such mill and the management.

Your suggestion of paying taken amount as compensation is very good. I know that

it will be very difficult for you. But you should deduct at least that amount from the compensation amount which the management have invested some where else and which can be proved also. This way you can discourage. Such type of tendencies being adopted by the mill-owners.

My friends from that side said that there was no necessity of promulgating an ordinance. In my view, they have just followed the tradition. This is not the first time that an ordinance has been promulgated and by promulgated an ordinance, the Government has acted in the interest of the labourers. It shows the alertness on the part of the Government that it considered its importance in the interest of nation as well as that of the labourers. Proper legislation could have taken a lot of time. Therefore, the Government has fulfilled this necessity through this method. I support this Bill and request that the functioning of N.T.C., on which we have a great stake, requires to be improved. Faults and short-comings in the management should be done away with and social obligation of N.T.C must be kept in mind.

SHRI C. JANGA REDDY (Hanamkonda): Mr. Deputy Speaker, Sir, I had written a letter to the hon. Minister on 10th April regarding Swadeshi Mills. The Worker's Union had approached me and told me about the shortcomings and the losses being suffered by the mills. I wrote these details to the Minister and I also received an acknowledgement of the same. I want to tell you about the management that they are unable to pay the dues of the labourers. I would also like to refer to the losses occurring there.

I am having a piece of cloth with me as a sample, you can just see it. I had raised this matter under Rule 377 in the month of April. 25000 metres of cloth was spoiled there in a single day. Management was told about it, but it did not take any notice. I want to say that even after five years after taking over of the mill, if you can not improve it, then nationalisation is not a welcome step. We should once again think about the mills which we have nationalised so far.

In Warangal district, there is a very large mills, which has 7000 workers on its roll. On 25 th April, I had asked in this house as to how much loss was suffered by that mill. I was told that since 1974-75 to January 1980, a loss of Rs.7.47 crores has been suffered by the factory. I want to know as to what are the reasons for it, and what are the short-comings in the management, as also what efforts are being made to improve the situation? I have written a number of letters about this. Officers come for an enquiry, but we are not summoned. Newspapers have also reported this matter. At the time of complaint, cotton, dyes and cloth were being stolen there. In this connection I wrote a letter running into four pages, but they simply wrote me back that my letter had not contained factual information as they had made the enquiry but have found the complaint to be false.

Being a Member of Parliament and a responsible person, I had written the letter, and I should have been called at the time of the enquiry, I might have presented the witnesses there and could have proved as to how the loss was occurring there, but nobody bothered to call me to assist the enquiry.

One month back I had been there with a view to move a calling attention motion in the House. I asked them as to why it was being reported in the press that the management was going to close the mill. It would affect 7000 workers who would be rendered jobless. The mill was nationalized in 1974 by our Government. I was asked to visit the mill. When I went there, the manager was not there. Production-Manager, of course, was there. I asked him about the report of the expert committee, which had come from Coimbatore to enquire into the matter? He told me that the manager was not there and he had kept the document under lock and key. He told me that I would be informed about it later on through telephone. It was not a secret document he should have told the details about it but he said that let Mr. Saxena come first, then only he would tell me anything about it. Mr. Saxena wrote me a letter when I had come back to Delhi and asked as to what I wanted to know. I wrote him in March that it is being reported in

[*Shri C. Janga Reddy*]

the Press that the closure the mill was imminent. I had asked him as to what were the reasons for it. What type of assistance did he want from the Central Government, what were his suggestions in this regard and what was the report of the expert-committee. I wrote this letter in March and then in April, I myself went to him. After my return from there, he writes me back and asks as to what I want and I should tell him. He further tells me in his letter to phone him, when I visit Warangal district and he will let me know all the details then, but he was not prepared to give anything in writing. I can show you that letter. The Government have never enquired as to what sorts of assistance is required and why losses are being incurred. In this case, seven thousand workers are involved. Therefore, Government must examine this issue.

The hon. Minister had stated in reply to a question on 25th April that:-

[*English*]

“The Textile Policy envisages that selective modernisation would be undertaken where units can become viable. However, the continued operation of units, which are incapable of becoming viable, would mean a continued drain on scarce resources and such units or parts thereof may have to be closed down to prevent any further losses. However, no final decision has been taken regarding the closure of any mills so far”.

[*Translation*]

I want to ask about the Cotton Mill in Warangal as to why it is incurring losses whereas cotton market is just near it where there is huge production of cotton.

In case three varieties of cotton is available just near the Mill, then why should it be purchased from Adilabad, Guntur, etc. there is large scale bungling in purchasing cloth, thread, etc. We come to know of all these things when we go to the local Market. Therefore Hon' ble Minister should pay attention towards all these things.

[*English*]

MR. DEPUTY SPEAKER: Please wind up. You have raised this matter many times, now stop it. It is not the first time that you are raising it. You have been raising it during Zero Hour also. The time is very limited, that is why I cannot allow you to repeat the same thing. These things you have raised many times. You focus the points, that is enough. If you want to say anything about the subject, you say.

[*Translation*]

SHRI C. JANGA REDDY: Mr. Deputy Speaker, Sir, this is Unstarred Question which I have read. Prior to this I did not get the reply to the matter raised by me under Rule 377. I, therefore, want a reply from the hon'ble Minister to all these things. Each and every Government Unit is being closed down. But they do not modernise them.

[*English*]

MR. DEPUTY SPEAKER: We are discussing about Swadeshi Cotton Mills exclusively. You say anything about it if you want...(*Interruptions*)**

MR. DEPUTY SPEAKER: Nothing is going on the record...(*Interruptions*)**

MR. DEPUTY SPEAKER: You are wasting your time.

[*Translation*]

SHRI KALI PRASAD PANDEY (Gopalganj) : Mr. Deputy Speaker, Sir, I rise to support the Bill regarding Swadeshi Cotton Mills brought forward by the hon. Minister. Your intentions are certainly good and this Bill has been brought forward in the same spirit to continue to manage these cotton mills. Had you not brought forward this Bill, then these cotton mills would have slipped off your hands.

I would like to present some points before you. The Late Prime Minister, Mrs. Indira Gandhi helped the poor by creating a network of Banks in the rural areas. The

75% population of India live in the rural areas which is unable to fight for their rights or raise slogans in support of their demands and due to lack of resources they cannot even approach any leader. Therefore, in order to uplift these people, textile mills should be opened in the rural areas.

There is a mill in our Gopalganj area, which has been lying closed for many years, but no action has been taken to reopen it. I have written a number of times about this, but nothing has happened. Be it an industry or any other business, they have devised this method that in case they have to pay arrears of income tax, they leave the scene after locking out the mill. You should develop such a system that industrialists like Tatas and Birlas are not able to indulge in the politics of monopoly in these industries of India.

Labourer's problem have also been referred to by many hon. Members in this House, in which they informed that a large number of workers have been rendered jobless or have been retrenched at such and such place.

These days, every mill-owner wants to go in for automation so that he may retrench the workers. You will also have to look into it. If you do not take any step in this direction, then there will be a revolution in the country. The labourers will be bound to think that despite their long services they are being thrown out and there is nobody to help them.

With these words I support this Bill.

SHRI DILEEP SINGH BHURIA (Jhabua) : Mr. Deputy Speaker, Sir, I rise to support this Bill. The labourers constitute the largest section of employees of all the cotton mills at present and the mill owners are continuously closing these factories. You will have to check this menace. Whatever you pay to these mill owners as subsidy, financial help and other facilities, these owners embezzle the entire money. Even if they establish a new factory, then the old ones are closed. Unless you make a law in this regard, these industrialists will misappropriate all the public money. If you make such provisions in the law that a particular

industry must be run for at least fifteen or twenty years after its establishment and a specified number of workers would have to be involved, only then we could be successful. Today you provide maximum finance for the opening of industries, but even then the industries are being closed down. Now a days the big industrialists travel in airconditioned cars, while the workers do not get enough food to satisfy even their hunger.

Sajan Textile Mills in my area, Ratlam has been closed down. More than four thousand labourers did not even celebrate Holi festival and even food was not cooked in their houses. Does it mean that the poor labourers of this country be left at the mercy of the industrialists. Today these industrialists want that the Government should make a law according to their likings and finance should be provided in the way they want. They are all based either in Bombay or in Delhi or in Calcutta. But there were poor people, who had established these industries with their hard work and are somehow surviving today. So I want that you should make laws against these industrialists and you should devise a system under which all these mills could be nationalised. An efficient agency should be created under the Textile Corporation. We have got many good people in the country. You evolve a system and give them training and after it they can run those mills. We should try to fulfil the hopes and aspirations of the poor that they will get employment in the industries.

I support this Bill and express my thanks to you for your permission to express my views.

SHRI GIRDHARI LAL VYAS (Bhilwara) : Mr. Deputy Speaker, Sir, I welcome and support the Bill introduced by the hon. Minister. The hon. Minister has also cooperated in the case of a mill in our area. I, on behalf of the workers of our Bhilwara Textiles Mill, thank you and hope that in future also you will take stringent action against an industrialist who tries to create sickness in a mill.

Your predecessor Minister had said that the management trying to create sickness in an industry shall be prosecuted and punished

[*Shri Girdhari Lal Vyas*]

severely. But no such law has so far been enacted and that is why these industrialists date to sicken mills by continuously transferring the assets. I request the hon. Minister to take stringent action against the industries whose managements are trying to sicken them.

One textile mill of the 'Swadeshi group' of Cotton Mills is situated in our Udaipur also. I am the President of its Trade Union. You have nationalised that also and I thank you for this action. You have, by taking this action, saved thousands of workers from facing the agony of unemployment. But at the same time I request you that these persons should be paid their dues. Eight years have elapsed since its take over by you...(*Interruptions*) And after these eight years, you have nationalised this mill. I would like to know that will be the share of these workers in the money paid as compensation or cost, because you have indicated through these clauses that 24 or 32 crore rupees is to be paid as compensation. At one place payment of 24 crores of rupees is mentioned while at another place it has been described as 35 to 36 crores of rupees and whatever amount of money is paid, interest will also be paid at the rate of four percent. They have no such right to get money in this way. The whole of money is being invested by your corporation and financial institutions. These mill owners do not invest even a single paisa from their pocket and though these, persons have created assets elsewhere, yet you talk of paying compensation to them and that too of sick industries. You should make such a provision that no compensation would be paid for an industry which is turned sick. After their nationalisation, such industries would belong to the Government and their assets would also belong to the Government.

In the end, I request that dues of our workers, whether in the shape of provident fund. E.S.I. funds, bonus or gratuity and whatever other dues are due for payment should be paid on preferential basis so that no dues of any worker remain unpaid. And it is my request that if any action is taken by the management against a worker, it should be rectified and the workers should be provided their rights. We hope that keep-

ing in view the interests of the labour, you will try to develop such type of industries so that thousands of workers continue to work and they do not have to face unemployment.

With these words, I support this Bill.

[*English*]

SHRI BHADRESWAR TANTI (*Kaliabor*): This Bill is a welcome measure and I support the Bill. In a Welfare State like ours it is a must to nationalise the private sector industries because the Government is committed to the service of the working class and our Constitution has specific provisions for ensuring the welfare of the working class under Part III and IV of the constitution of India. There are provisions for a living wage for the worker, human conditions, workers' participation in management, legal aid to the poor, etc. In a socialist democracy the labour is a partner in the common task of development of the country. For that purpose there should be joint consultations and workers and technicians should whenever possible be associated progressively in the management.

In the First Five Year Plan the policy of the Government was to make an adequate provision for the basic needs of the worker such as food, schools, jobs, clothing etc. so as to enable them to become healthy and efficient and then securing improved health facilities and a wider provision of social security, better educational opportunities and increased recreational and cultural facilities. Then another safeguard is his health and to protect him against occupational and other hazards. Then the management is expected to be considerate towards the labour.

These were there in the First Five Year Plan. But today the Indian workers are living below the poverty line. Workers' participation in management is a constitutional provision but how many workers and how many industrial workers get this right? What is the condition of the Indian workers? And what are their living conditions? Are they getting a living wage from the management? That has not been looked into properly by the Government even after 38 years of our independence.

There is a provision for labour courts for expeditious disposal of the cases, particularly, workers' cases. The Labour Courts and Industrial Tribunals are there. Recently the Government under Art 323 A and B has set up Administrative tribunals for early disposal of cases of the Central Government and State Government employees. On similar lines labour Administrative Tribunals should be set up immediately. Now a labourer in the event of his dismissal, has to go to the Labour Inspector and the Labour Inspector, according to his own convenience and according to his own sweetwill. after six months refers the case to the Government and the Government after so many months refers the matter for adjudication to the Industrial Tribunal or the Labour Court. Why not the labour can go direct to the Administrative Tribunal? May I ask the Government? So there should be a provision for hearing and expeditious disposal of cases relating to labour matters. Labour Administrative Tribunals should be there set up immediately. There is a provision in the Constitution and the Government is duty-bound to look into it and abolish the lengthy procedure of the industrial Dispute Act. Yesterday we passed the Muslim Women's Divorce Bill for their benefit. But what about the workers? Especially the women workers.

You have introduced a Bill to protect the rights of the Muslim women. What about the women workers? They are forced to work in the industries during the night time also. This should be abolished. In a democratic country, the workers should be benefited. The Government is duty-bound to do it.

SHRI D.B. PATIL (Kolaba): Sir, I support this Bill only because it involves employment of 14000 workers, and not because of the proclaimed intention of the Government, which has been stated in the Bill. I will not read the whole portion of the long title in which it has been stated that towards securing the principles specified in clauses (b) and (c) of Article 39 of the Constitution and for matters connected therewith or incidental thereto this bill has been brought for. The provisions of Article 39 (b) and (c) were unnecessarily brought in here, which say :

39 (b) : "that the ownership and control of the material resources of the community are so distributed as best to subserve the common good ;

(c) : that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment".

These are the intentions of the taking over and acquisition of certain textile undertakings of the Swadeshi Cotton Mills Company. The clarification given was that the original proprietors/owners have taken all the profits, the units have turned sick and the workers are thrown out on the streets. From this point of view, the provision of giving compensation to the extent of Rs. 24 crores and 32 lakhs is not justified. It is not justified, because they are responsible for this position arising out of their own faults. Had they maintained properly, repaired the machinery at the proper time, this situation could not have occurred. They did not do anything. They simply earned profit and turned the units sick. Ultimately, the Government has to take over the Company. Taking into consideration all these things, I will speak separately on my amendments. But I support this Bill with my own reservations.

DR. DATTA SAMANT (Bombay South Central) : Sir, In all the six mills of the Swadeshi Cotton Mills located at Kanpur, Pondicherry, Naini, Maunath Bhanjan, Udaipur and Rae Bareli, there are about 14000 workers involved in the functioning of these mills. The management of these mills were taken over in 1978. They are under the control of the Government. Now, through this Bill, the Government is going to acquire all the properties of the Swadeshi Cotton Mills and handing them over to the National Textile Corporation. That is the aim of this Bill. There are about .00 big sick mills—forget about the small ones, we cannot count them—in our country for the last 20 years. There are about 4 to 5 lakh workers working in such mills. There is much talk about the Empress Mill. Everybody is talking about it. I will not take much time

[*Dr. Datta Samant*]

of the House. I have got very bitter experience about the manipulation of accounts while purchasing cotton, selling the cloth. They are diversifying the funds, making the units sick and then they are starting another unit. Because workers are involved ; they do not get the proportionate profit. They are not modernising the units. For the last 20 years more number of units have gone sick ; then the Union leaders come. At last, the Government nationalises such units, They get some fund. I would like to know as to what is the Government's attitude in taking over these mills. During the last 20 years, Rs. 1500 crores of the nationalised banks and the IDBI and other corporation's money were swallowed by all these industrialists.

15.00 hrs.

Everybody is involved. Tata is having two-three Swadeshi Mills. In Bombay Birla is there. All big people, big magnates are there. Their assets are now Rs. 28 crores as per your own figures. These people have swallowed all the money and have done all types of frauds because they know that you are going to take over.

With regard to Empress Mill the Chief Minister of Maharashtra has refused and gave a statement that he would not allow the take over. One creditor went in the Bombay High Court and asked for the liquidation. Tata went there and said that they accept the liquidation. We are fools here to discuss this. They know how to manipulate everything. Everything has gone under liquidation. You only talk of participation of the workers and say that we will give their dues etc. You show me a single example where you have given the dues to the workers. You are talking here sweetly. It is really too much to allow such type of calamity on the working class, on the national economy. Your money is just blocked and it is ruining the whole economy, But the Government is sleeping. I accuse the Government because they don't want to listen.

In the last session a lot has been talked about taking over of the sick industries. Six months have passed. Have you formed the Board ? If you have formed that Board,

you should not have given Rs 20 lakhs. You should have taken over these units. You have changed the directors. You have threatened the employers, including Tata, that you will transfer some of their assets. But Government does not want to do anything.

Now how much money are you giving to the employees ? It is already under their possession for management. Now they are acquiring. The cash payment is 24.32 lakh rupees. We are acquiring the property of another Rs. 10,000/- per year upto Rs. 70,000/- for taking over the management. Another Rs. 70,000/- for taking over the assets. The interest on this will be Rs. 8-11 thousand. But you are giving dues and money to the man who had done open fraud.

I do not know Mr. Jaipuria because he is not in Bombay. He must have become a multi-millionaire having another 20-30 industries. That I totally oppose. You should not give such money to the management.

I have two-three more points. One is to implement the Sick Industrial Unit Bill, changing the director, transferring the assets. These are the suggestions I am giving.

What is that you are paying to the workers ? You are acquiring these units and you say that from today onwards you are taking the responsibility. I oppose this. You cannot avoid your liability for the man who has to work. 14000 workers have worked for the last 30 years. Because of no fault of theirs now you are taking over the unit and you say now that it is your money and you are not responsible for them.

Now whatever money is there, the workers cannot get them and get there disputes solved by the IDIA. They are not covered by the Statutory Act of the country. Why are you ruining the workers ? In the textile industry there are about two lakh workers. In Bombay you nationalised so many mills where about twenty thousand workers were there. After the nationalisation you are not paying their back dues,

their provident fund and other amounts. Therefore, it is high time that the Government came forward to make this a cognizable offence. You should put these people behind the bar. Actually they are ruling and not you. We are just discussing something in this House ; but we have seen all this in the last one and a half years. Therefore, technically we can talk about nationalisation; but actually the Government is wasting huge money to nationalise the textile corporation. You are spoiling 12³ mills. Last year you have removed seven chairmen, you have removed your managers, you have discarded your employees.

In the nationalised mills of Bombay, they are employing their contractors and not regular workers. They are making lot of money even after nationalisation. You are now taking over the NTC. The Government has no control whatsoever on the NTC Mills. Poor working class of this country is going to suffer by this. Therefore, I accuse the Government.

[*Translation*]

SHRI PRAKASH V. PATIL (SANGLI):
 Mr. Deputy Speaker, Sir, I rise to support this Bill.

When Shri Viswanath Pratap Singh was Textiles Minister, he had nationalised 13 mills in Bombay. Two lakh workers are engaged in this industry in Bombay and it is the pioneering industry of the country. Out of two lakh workers of Bombay, only one lakh workers were re-employed and the remaining workers were not re-employed. One thing I would like to point out that these mills are working since 1890 and have become outdated and obsolete. We cannot earn much profit from these old mills. The Government would not lose anything in taking over these mills as the market value of those mills is much more. The market value being more, the Government will not lose anything. Old machines were used to be imported and installed. We can send these old machines to the backward nations and new machines can be installed here. One lakh workers are unemployed due to closure of mills in Bombay. The Government should take over these mills and renovate them. The dues like provident fund

of the workers are outstanding in a very large amount. The Producers' and Farmers' Cooperative is working very effectively in our Maharashtra. The workers and management of it are farmers spearheading the cooperative movement. A cooperative society should be formed which should be handled by its management and these mills should be run by it. The mill will run efficiently and will earn more profits. The sick units are getting more sick. Therefore, a cooperative society comprising of workers, producers and farmers should be formed and these units should be activated. The Empress Mill in Nagpur is not working. This was the first industry which was established by the Jatas in India. The Government should pay attention to it, because the fate of seven thousand workers is involved. There should be every efforts to run it efficiently. Most of its workers are Congress workers and they Cooperate with the Government. But the people like Datta Samant do not behave properly. Instead our workers cooperate with the Government and so the Government must pay attention to this matter. In Bombay a standing local committee should be constituted which may take care of day-to-day functions of management and may try to improve the situation in the mill.

With these words, I support the Bill.

[*English*]

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : Sir, I thank all the hon. Members who have participated in this debate. Most of them have made very valuable suggestions for which I really thank them.

This Bill has been welcomed and appreciated by all sections and from all sides. This is a very good sign which indicates that everybody has appreciated Government's decision to nationalise this sick mill. The interests of the workers will naturally be protected and they will be at par with the workers of the other units of the NTC. These people will share the similar privileges, status and wages as the other workers of NTC.

[*Shri Khurshid Alam Khan*]

Sir, it will be necessary to make a detailed assessment of the need and extent of modernisation of these mills. I quite agree that modernisation is the need of the day and it will certainly be done. We would ensure that modernisation is done in such a fashion that minimum dislocation is caused to the workers but I am sure Dr. Samant knows much better than me that in modernisation some dislocation does take place. But I again say that we will ensure that minimum dislocation takes place wherever modernisations is done in the NTC mills. At this stage, it will not be possible to take back those workers who were not taken at the time when the management of the mills was taken over eight years ago, because the studies made by the experts already indicate that there are more than 3000 excess workers in the mill and we are just carrying them over hoping that as the people retire they will be adjusted. Now, there is hardly any possibility of the previous owners to get much of the compensation, because the first charge in these compensation will be the workers due both at pre-and-post take over period. Similarly, the secured banks loans both during pre-and-post take over period will be another charge. Then the statutory dues of the post take-over and trade credits of post take-over period will get the priorities for the payment of the compensation. The Commissioner of Compensation will be appointed who will really make these payments on the basis of the claims received by him. I quite agree with most of the hon. Members that the textile industry is in that shape. But it is a fact that this had been done purposefully, because the hon. Member, Mr. Dutta, has mentioned that Rs. 1500 crores had been invested in the name of modernisation in the textile industry, but the impact is not of the same size and same dimension and, therefore, now we have decided and now we have set up monitoring agency in the Textile Commissioners Office which will be monitoring the performance of the modernisation of the mills which take loans from the nodal agency and the nodal agency will provide packages of rehabilitation for such mills which are considered in the opinion of the nodal agency that after giving packages of rehabilitation, they can be

made viable and they can run profitably. Sir, it will not be possible for this Government to take over the entire textile industry and nationalise it, because—the dimension of this nationalisation will be so enormous that it is really not possible for the government to do it, apart from this, it has been made very clear in the textile policy that the Government will not take over any sick mills in future, because we do not want to work as a sort of clinic for restoring the health to these sick mills. If they show any sign of sickness, then the nodal agency will examine and, if it will be found that the nodal agency can restore their health by giving them the package of rehabilitation, then everything possible will be done. But if it is found that no amount of package of rehabilitation will help and they can not be made viable by restoring the health, then naturally there will be no option but to allow them to close down. But the closing down will be the responsibility of the State Government, not the Central Government.

DR. DATTA SAMANT : There are good mills in Bombay like Century Mills, etc. Now, they will also make them sick and you are going to take over them. Now, it is already 50%.

SHRI KHURSHID ALAM KHAN : We have made it very clear in the Textile Policy that we are not going to take over any more sick mills. Now, our exports are actually increasing ; I may submit that in the textile our share out of the total exports of the country, is 20%. Our share of exports in textiles out of the total production in the country is 15 per cent. I feel that there is still possibility of increasing this percentage to more than 15 per cent. I quite agree that the NTC needs further improvement and all possible efforts are being made to improve the working of the NTC. Recently, we have appointed another expert committee to review the working of the NTC and give us suggestions as to what further can be done to improve the working and financial results.

I would also like to mention that the NTC has got 103 nationalised mills and the depreciation of these mills is about Rs. 36 crores annually, while for the whole 7th

Plan, I have been given only Rs. 117 crores for modernisation. Out of this amount of Rs. 117 crores, I have already committed about Rs. 70 crores to replace the boilers and meet other statutory requirements. Please tell me what I should do with the remaining Rs. 40 crores.

It is a fact that in the organized sector about 13 lakh people are working and in the powerloom sector, more than 40 lakh people are working. Power loom is now producing a lot of fabrics. In handloom, there are ten million people working. Naturally all these people have to be looked after. The powerloom is producing more than 40 per cent of the total fabric production in the country; the handloom is producing about 30 per cent and the organised sector less than 30 per cent. The main reasons for nationalisation of the mills and taking over these mills in 1974 were, firstly mismanagement and secondly, to safeguard the interests of the workers.

I have explained the urgency of the modernisation, but as I said, the modernisation has to be done on selective basis so that some of the mills could be modernised in such a fashion that we, particularly the NTC, are in a position to export more. The NTC has been exporting about Rs. 40 crores worth of fabrics and we want that this should be further increased.

One hon. Member mentioned about the mill which was producing viscos. I had already taken up this matter with the Chief Minister of Madhya Pradesh and requested him that he should immediately intervene in the matter. It was taken up by his Government, and I am not very sure, but I have got information informally that the strike has ended and I am sure, the supply of viscos will start regularly now.

I have already mentioned that the nationalisation of the entire textile industry is not really possible. I would certainly agree that in the NTC there is need for security arrangements to be reorganised and this is receiving our very earnest consideration.

As regards various matters mentioned by one hon. Member regarding labour and

the labour courts and tribunals, I think, this is a matter which has to be looked by the Labour Ministry as they have the direct responsibility for that.

The Bombay mill has been taken over only for the sake of the workers and also to ensure that the supply of the fabric is maintained, because I know that for two years when the mills were on strike, there was difficulty for supply of the fabrics. Actually, the handloom and the powerloom came to the rescue of the people. Otherwise, they would have been in much trouble about the availability of cloth needed by them.

DR DATTA SAMANT : But 65,000 workers are still out of job.

SHRI KHURSHID ALAM KHAN : When those sections of the mills are not functioning, how can I take those workers ?

SHRI MURLI DEORA (Bombay South): Sir, in 13 mills of the NTC, 20 to 25 thousand workers are out of job. You took the mills over to give jobs. Under the garb of rationalisation, the management of NTC is still keeping them out.

SHRI KHURSHID ALAM KHAN : No rationalisation or modernisation has been done in those mills. But there are certain sections who were not operative and which cannot be made operative and I am sorry to say that it is not possible to accommodate any workers in those sections.

MR. DEPUTY SPEAKER ; Are you withdrawing your Resolution, Mr. Bhattam?

SHRI BHATTAM SRIRAMA MURTY (Visakhapatnam) : Sir, I made it very clear even in the beginning that I have no objection as far as the principal which is involved in the basic question of nationalisation of textile mills is concerned. Therefore, there is no question of objecting the very basic concept. The only point is, I have raised certain issues which are required to be considered by the Minister and as a matter of fact, the way in which the management of the industry has been conducted for the last seven to eight years, without any possibility of any improvement in the working and functioning. Only that alone was pointed out by

[*Shri Bhattam Srirama Murty*]

me and I still feel that that is an aspect which is worthy of the consideration of the Minister and he is requested to do something for improvement in the working conditions of those workers. That is all I got to say.

MR. DEPUTY SPEAKER: The question is :

“This House disapproves of the Swadeshi Cotton Mills Company Limited (Acquisition and Transfer of Undertakings) Ordinance 1986 (Ordinance No. 5 of 1986) promulgated by the President on the 19th April, 1986.”

The motion was negatived.

MR. DEPUTY SPEAKER : The question is :

“That the Bill to provide for the acquisition and transfer of certain textile undertakings of the Swadeshi Cotton Mills Company Limited, with a view to securing the proper management of such undertakings so as to subserve the interests of the general public by ensuring the continued manufacture, production and distribution of different varieties of cloth and yarn and thereby to give effect to the policy of the State towards securing the principles specified in clauses (b) and (c) of article 39 of the Constitution and for matters connected therewith or incidental thereto, be taken into consideration.”

The motion was adopted.

MR. DEPUTY SPEAKER : The House will now take up clause by clause consideration of the Bill. 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.

Clause 7 — (Shares to be issued by National Textile Corporation for the value of assets transferred to it by the Central Government).

SHRI D.B. PATIL (Kolaba) : Sir, I beg to move :

Page 5, line 18,—

after “equal to the” insert—

“book” (1)

Page 5, line 18, 1,—

after “assets” insert—

“as on 13th April, 1978” (2)

Sir, my amendments 1 and 2 are on the same point. This is about the compensation to be given to the company for being taken over with its assets and management. Sir, it is stated that amount of Rs 24.32 crores would be given by way of compensation. Here I have suggested that the book value of the assets should be given. When I was speaking on the Bill, I said that no compensation ought to have been given to the Company. I have proposed an amendment under the impression that the book value of this company will be nil. because the value of the machinery, which has been used for long years, would be nil, after depreciation.

And so I say that the book value should be given to them.

SHRI KHURSHID ALAM KHAN : Sir, this is really not necessary, as in the Section 8, it had already been mentioned. And then I have also gone through and explained that the compensations which have been earmarked and the priority is for distribution of money to the various categories which are already being mentioned.

MR. DEPUTY SPEAKER : Now, I put Amendments 1 and 2 moved by Shri D.B. Patil to the vote of the House.

The Amendments No 1 and 2 were put and negatived.

MR. DEPUTY SPEAKER : Amendment No. 12, Dr. Datta Samant.

Are you moving?

DR. DATTA SAMANT : I beg to move :

Page 5,—

After line 26, Insert—

“7A, after going through the detailed working of sick unit (Mill), if Central Government need more funds for running sick unit or for making payment of workmen's gratuity, provident fund etc. it may take such measures to transfer the assets of another mill or company where the Director of Swadeshi mills Groups are partners,” (12)

Many times, it had been discussed in this House that you are paying them Rs. 24 crores as taking over compensation. It will be a total of Rs. 26 crores, including the interests on the money for the last eight years. But, what I submit is this. The same management groups are having other units and other assets. So, I urge the Government to see that some of the assets of these units are transferred instead of giving this money. Unless such type of measures are taken in this country, sickness in the country will gradually increase, because Government is not going to take any penal action against these economic frauds. So at least, transfer the assets because the units are becoming sick. Their assets are increasing as compared to other units.

SHRI KHURSHID ALAM KHAN : It is really not possible to transfer the assets of those companies, which are not involved in this take over or in this nationalisation.

MR. DEPUTY SPEAKER : Now, I will put Amendment Number 12 to the vote of the House.

Amendment No. 12 was put and negatived

MR. DEPUTY SPEAKER : The question is :

“That Clause 7 stand part of this Bill”

The Motion was adopted.

Clause 7 was added to the Bill.

Clause 8—(Payment of Amount)

SHRI D.B. PATIL : I beg to move :

Page 5,—

after line 34, insert—

“or the book value of the assets of the textile undertakings as on 13th April, 1978, which ever is less.” (3)

As I have said earlier, the compensation should be at book value. According to me, the book value should be nil. But, the book value is manipulated by the proprietors. So, I have stated that “the book value of the assets of the textile undertakings whichever is less,” in the sense that either Rs. 24.32 crores or the book value, whichever is less. I hope this will be accepted by the Government. The intention is not to give anything to the company which has been acquired and which is not due for them, because already the Government has suffered losses to the extent of Rs. 15 crores and according to the financial implications, to make an optimum utilisation of all the sick units, the Government will have to invest to the extent of Rs. 37 crores. That means the Government would invest Rs. 37 crores and it has suffered losses to the extent of Rs. 15 crores. The NTC is likely to suffer losses in the near future at least for another four to six years. It is understood that the units are old and until and unless, they are utilised the optimum, they are not going to run at profit or they are going to run at loss. If the units are going to run at a loss, no compensation should be given to the owners or the proprietors of the company.

SHRI KHURSHID ALAM KHAN : As already mentioned, the first charge on the compensation will be the pre-take over and post-take over share of the workers, and the dues of the financial institutions which have given money during the pre-take over and post-take over periods. These are the charges which will be there against this compensation.

MR. DEPUTY SPEAKER : I now put amendment No. 3 moved by Shri Patil to the vote of the House.

Amendment No 3 was put and negatived.

MR. DEPUTY SPEAKER : The question is :

“That Clause 8 stand part of the Bill.”

The Motion was adopted.

Clause 8 was added to the Bill.

Clause 9— (Payment of further amounts)

MR. DEPUTY SPEAKER : Mr. Patil, are you moving your amendments?

SHRI D.B. PATIL (Kolaba) : Yes, Sir. I beg to move :

Page 5, lines 37 and 38,—

for “rupees ten thousand” substitute
“rupee one” (4)

Pages 5 and 6, lines 55 and 1, respectively,—

for “rupees ten thousand” substitute,—
“rupee one” (5)

Page 6,—

after line 2, insert—

“Provided that if the liabilities are more than the amount referred to in Section 8 and also in sub-section 1 and 2 of section 9, such liabilities shall stand transferred to original proprietors of the textile undertakings.” (6)

Amendments No. 4 and 5 have the same intention. Here, compensation has been provided to the company, because certain assets are being acquired, and the management is being acquired. This situation has arisen because of wilful default on the part of the management. There is wilful default, and for that wilful default they should not be benefited. Compensation is being provided for at the rate of Rs. 10,000; but I have simply said that a nominal compensation of Re. 1 should be provided.

Now regarding amendment No. 6 ; it is self-explanatory. As I stated earlier, if the liability is there, the company should not be benefited. If the liability is more, Government should not bear the liability. The liability should be transferred to the original proprietors.

SHRI KHURSHID ALAM KHAN : They are not acceptable.

MR. DEPUTY SPEAKER : I now put amendments No. 4, 5 and 6 moved by Shri Patil to the vote of the House.

The Amendments Nos. 4, 5 and 6 were put and negatived.

MR. DEPUTY SPEAKER : The question is :

“That Clause 9 stand part of the Bill.”

The Motion was adopted.

Clause 9 was added to the Bill.

“MR. DEPUTY SPEAKER : The question is :

“That Clauses 10 and 11 stand part of the Bill.”

The Motion was adopted.

Clauses 10 and 11 were added to the Bill.

Clause 12—(Continuance of employees of the textile undertakings)

MR. DEPUTY SPEAKER : Mr. Patil and Dr. Datta Samant : Are you moving your amendments?

SHRI D.B. PATIL : Yes, Sir. I beg to move :

Page 7,—

after line 2, insert—

“Provided that such alterations in remuneration, terms and conditions of employment shall not be to the disadvantage of the employee.” (7)

DR. DATTA SAMANT (Bombay South Central) : I beg to move :

Page 7,

after line 2, insert—

“Provided that if any workman or workmen retire or leave service after National Textile Corporation has taken

over the company, it shall be the liability of the Corporation to pay him gratuity, pension and other like matters at the time of retirement.” (13)

This is very important. The mills are nationalized; and you are accepting the responsibility from that day. All these mills are working for 25 or 30 years : and there, we have the question of provident fund and gratuity. Even in the nationalized mills in Bombay, in the case of workers who have retired or died, their gratuity is not paid. You are paying a compensation of Rs. 24 crores, but you are not making this small provision. In all these sections in Chapter V, everywhere you have taken up the responsibility from the date it is being nationalized. But 14,000 workers having service for the last 10, 15 or 20 years are there. Regarding their terminal dues like provident fund and gratuity, is it not the duty of the Government to accept such a responsibility. This will involve only a small amount. Therefore, I have given this small amendment, but it is a very important amendment.

My point is this : A man will retire after two years, or maybe after 10, 15 or 20 years. This liability may arise accordingly. But when he retires, the money is not paid. As per the Gratuity Act, for five years they are not entitled for gratuity. So, within five years if a person retires, he will not get anything, because you are accepting him as a fresh recruit. This is a major calamity, because of which thousands of workers are suffering after nationalization. Therefore, I request the hon. Minister to accept this amendment. You can do so, because it involves a small amount.

SHRI KHURSHID ALAM KHAN : In view of the provisions already made in Clause 12 (1) and 25 (1), this amendment is not considered necessary.

MR. DEPUTY SPEAKER : I now put the amendment of Shri Patil to the vote of the House.

Amendment No. 7 was put and negatived.

MR. DEPUTY SPEAKER : I put amendment moved by Dr. Datta Samant to the vote of the House.

Amendment No. 13 was put and negatived

MR. DEPUTY SPEAKER : The question is :

“That Clause 12 stand part of the Bill”

The motion was adopted

Clause 12 was added to the Bill.

Clause 13-(Provident and other F und)

MR. DEPUTY SPEAKER : Mr. D.B. Patil, are you moving your amendment ?

SHRI D.B. PATIL : No.

DR. DATTA SAMANT : I beg to move :

Page 7.

Omit lines 18 to 20 (14)

After taking over the management of 14,000 workers and the mills, whatever provident fund, gratuity and other welfare measures in the form of money are there, which are lying with the employers, they should not be touched, that is the money of the workers. As per section 2 of the 32, you say that whatever money is there, which belongs to the workers it will be the property of the National Textile Corporation and it will consider how to reimburse it. On the one hand you are saying that you are protecting the interest of the workers, on the other, you are saying that, the existing money that is lying with the employers and the mills, it is going to be their property and it is at their discretion to distribute it. Can you tell me where a single unit has been closed down so far? The dues of the workers are also there for the last 20 years. Then you talk of the workers, participation in the management. Why do you take away the money of the workers? Whatever money is lying with the management, that money should not be touched. It is high time that this amendment should be accepted by the government.

SHRI KHURSHID ALAM KHAN : NTC or the government is taking the responsibility for pre and post take over.

MR. DEPUTY SPEAKER : I put amendment No. 14 moved by Dr. Datta Samant to the vote of the House.

Amendment No. 14 was put and negatived

MR. DEPUTY SPEAKER : The question is :

“That Clause 13 stand part of the Bill.”

The motion was adopted.

Clause 13 was added to the Bill.

MR. DEPUTY SPEAKER : There are no amendments to Clauses 14 to 26
The question is :

“That Clauses 14 to 26 stand part of the Bill”

The motion was adopted

Clauses 14 to 26 were added to the Bill

Clauses 27 (Penalties)

SHRI D. B. PATIL : I beg to move:

Page 11, line 48,-

for “two” substitute “five” (9)

Page 11, line 48, -

for “ten thousand” substitute—

“twenty-five thousand (10)

Page 11,-

after line 48, insert-

Provided that in the absence of special and adequate reasons to the contrary to be mentioned in the judgement or the Court, such punishment shall not be less than two years of rigorous imprisonment and a fine of ten thousand rupees”. (II)

The penalties are in connection with economic offences like. Section 27 (b) and (c) on page 11 which reads as follows :

“Wrongfully obtain possession of or retains any property forming part of any of the textile undertakings ; or

Wilfully withholds or fails to furnish to the National Textile Corporation or any person or body of persons specified by that Corporation etc....”

All these economic offences should be dealt with very deterrently and the present mood of the government and the present approach is not in that way. So, I have suggested that the minimum punishment should be provided in the law itself. So far as imprisonment is concerned, it should be for two years ; so far as fine is concerned, it should be Rs. 10,000. So far as money is concerned, I mean the fine, it is not a very big thing for the rich people. But so far as the imprisonment is concerned, it is very important. I suggest that a minimum imprisonment for two years should be there.

SHRI KHURSHID ALAM KHAN
Uniformity of punishment for similar offences should be there and this has been maintained here also. Therefore, I am not accepting it.

MR. DEPUTY-SPEAKER : Now, I shall put Amendment Nos. 9, 10 and 11 moved by Shri D. B. Patil to the vote of the House.

Amendments Nos. 9, 10 and 11 were put and negatived.

MR. DEPUTY-SPEAKER : The question is :

“That clause 27 stand part of the Bill.”

The Motion was adopted

Clause 27 was added to the Bill

Clauses 28 to 33 were added to the Bill

The Schedule was added to the Bill

Clause 1, the Enacting Formula, the Preamble and the Title were added to the Bill

SHRI KHURSHID ALAM KHAN : I beg to move :

“That the Bill be passed”

MR. DEPUTY-SPEAKER: Motion moved:
“That the Bill be passed”

SHRI MURLI DEORA (Bombay South): 15.44 hrs.

The Government must learn from the past mistakes they made when they took over other textile mills in other parts of the country. This is the case pertaining to Kanpur. In this context, I would like to remind the hon. Minister that when 12 mills were taken over in Bombay, you yourself had said that the very purpose of taking over these mills was to provide jobs to the workers. But unfortunately, even after more than 2 years nearly 22,000 workers of these mills at still out of job in Bombay city. When the representation was made to NTC, they said that there was ineffective coordination between the Ministry of Textiles and the Ministry of Finance.

The IDBI and other financial institutions which are lending institutions, do not come forward to give credit to these mills. I request the Government to learn from the past mistakes. Whenever they take over a mill, they should see that at least for the next ten years enough finance is made available to that mill.

As far as Bombay taken over mills are concerned, I would urge the Minister that he must—convene a meeting of the representatives of the Maharashtra Government, the IDBI, State Bank and other agencies so that at least retirement dues at immediately paid to the workers.

SHRI KHURSHID ALAM KHAN : I thank the hon. Member for his suggestion. I would like to mention for his information that we already had a meeting with the Chief Minister of Maharashtra. Shortly we are going to have another meeting. We will do everything possible to sort out this problem.

MR. DEPUTY-SPEAKER : The question is :

“That the Bill be Passed”

The motion was adopted

RESOLUTION RE: DRAFT NATIONAL POLICY ON EDUCATION-1986

[English]

THE MINISTER OF HUMAN RESOURCE DEVELOPMENT AND HOME AFFAIRS (SHRI P.V. NARASIMHA RAO) : I beg to move :

“This House approves of the Draft National Policy on Education-1986, laid on the Table of the House on 2nd May, 1986.”

MR. DEPUTY-SPEAKER : Motion moved :

“This House approves of the Draft National Policy on Education, 1986, laid on the Table of the House on 2nd May, 1986.”

Now, amendments to be moved. Shri Saifuddin Chowdhary-not present ; Shri Somnath Chatterjee not present.

SHRI BHATTAM SRIRAMA MURTY (Visakhapatnam) : Mr. Deputy Speaker, Sir, at a time when the Government is embarking on an ambitious plan of educational reforms on a wide scale, let me put a few ideas for consideration by the Minister.

The eradication of illiteracy or universalisation of education for fulfilment of the Constitutional obligation of extending educational facilities to all children upto the age of 14, has been an accepted goal and that has to be achieved by the Government. At this stage, I would like to mention that a literate is defined as ‘a person who knows how to read and write, who can put his signature, Now, after about 40 years of independence, can we not change the definition of the literate ? Is the qualification of merely putting the signature, or the ability to read and write, sufficient to describe a person as literate? A particular degree of proficiency may have to be prescribed in