

12.23 hrs.

ALCOCK ASHDOWN COMPANY
LIMITED (ACQUISITION ON UNDER-
TAKINGS) AMENDMENT BILL

[English]

MR. DEPUTY-SPEAKER : We will go to next item. Shri J. Vengal Rao Ji.

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM) : Sir, on behalf of my senior colleague, Mr. J. Vengal Rao, I beg to move :

"That the Bill further to amend the Alcock Ashdown Company Limited (Acquisition of Undertakings) Act, 1973, be taken into consideration."

Sir, the Undertakings of Alcock Ashdown Company Limited were acquired by the Central Government by virtue of the Alcock Ashdown Company Limited (Acquisition of Undertakings) Act, 1973 for the purpose of ensuring rational and coordinated development of production of goods essential to the needs of the country. The Undertakings comprised of two units—one in Bombay and the other in Bhavnagar, Gujarat. The Central Government had specified Mazagaon Dock Ltd., and the Industries Commissioner, Government of Gujarat to manage the two units respectively, on behalf of the Government of India.

Ever since the acquisition of the Undertakings of the company, the intention has always been to transfer the ownership of the two units to the Government of Gujarat and Mazagaon Dock Ltd. The State Government of Gujarat has also been keen to acquire the unit at Bhavnagar. The proposed Amendment Bill is necessary to enable the Central Government to re-vest the two units to Mazagaon Dock Limited and the Government of Gujarat.

The Bill also seeks to safeguard the interests of the existing employees of the Bhavnagar unit by continuing their employment, to provide for the transfer of provident

fund and others Funds to the State Government and for the saving of all contracts, deeds and bonds, to which the Central Government is the party in relation to the two units.

Therefore, I request that the amendment bill may be passed without any opposition.

MY. DEPUTY-SPEAKER : Motion moved :

"That the Bill further to amend the Alcock Ashdown Company Limited (Acquisition of Undertakings) Act, 1973 be taken into consideration."

DR. SUDHIR ROY (Burdwan) : Sir, the Alcock Ashdown Company Limited was taken over by the Government of India in 1973. The Maharashtra Unit was placed under Mazagaon Dock Limited and the Bhavnagar Unit was placed under the Industries Commissioner, Government of Gujarat. Now after 15 years, they are trying to transfer the assets and liabilities of the Company to the Mazagaon Dock Limited and the Industries Commissioner, Government of Gujarat. The employees of these two Units may face some difficulties regarding the service conditions, retirement benefits, pensions etc., because we find that whenever a concern is taken over or nationalised, the employees have to undergo some hardship. For example, the RSN Company was merged with the Inland Water Transport Company. The employees of RSN Company had to face tremendous difficulties regarding their retirement benefits, service conditions etc. Still they are approaching the Government for settling their account. In our country, it is the bureaucrats who have the last laugh. Therefore, though much is said regarding the welfare of the employees, the employees will suffer regarding their service conditions and retirement benefits. I would like to express my view that these two Units, the Maharashtra Unit and the Bhavnagar Unit, would have been kept under a public sector unit. Whenever the Government takes over a concern, the concern is just run on a hand to mouth basis. There is no long-term perspective planning

Look at Bengal Potteries of Calcutta. The Bengal Potteries was undertaken in the year, 1981. For four years, there was no production and the Government simply spent Rs. 36 crores on the salary of the employees. I and the hon. Member Shrimati Geeta Mukherjee led a deputation of the workers belonging to the four different Central trade unions. The trade union leaders categorically said that there was no labour unrest in the Bengal Potteries. But the Undertaking is being denotified because there is no production.

SHRI J. VENGAL RAO : It is not alone Bengal Potteries. It is some other company.

DR. SUDHIR RAO : In our country, nationalised banks can advance to the tune of Rs. 300 crores to Rajendra Sethia, a notorious racketeer but they cannot advance Rs. 5 to 6 crores to a nationalised concern. Therefore, the Government should stand guarantee so that the bank may advance working capital. Similar is the case with National Cycle Corporation of India. This is the only factory where almost 100% of cycle parts can be produced but the banks are not advancing the working capital. Top management posts have been remaining vacant in these Undertakings.

While supporting this Bill, I would like to point out that Government should see that there is long-term perspective planning for revitalising this Undertaking. Thanks to the performance of this present Government. When this Government came into office, there were 97,000 sick units. But now, it has surpassed 1,50,000. Therefore, I would like to say that whenever a concern is taken over by the Government, Government should see to it that banks advance working capital regularly and the top managerial positions are filled up regularly. What is required long-term perspective planning.

With these words, I conclude.

SHRI SHANTARAM NAIK (Panaji) : Mr. Deputy-Speaker, Sir, I stand here to welcome the Bill moved by the Government. By going through the Statement of Objects

and Reasons, one does find some essential features of this Bill which are incorporated in the various Sections. But while doing so, it would have been just and proper if a note on the performance of these two units had been appended either separately or in the Statement of Objects and Reasons so that when Government hands over these units to the respective Bodies viz. Mazagon Dock Limited and the State Government of Gujarat, Members would have come to know about these units' performance ever since they were taken over by the Central Government and where for the purpose of administration, allotted to these respective States. That would have given some sort of insight into the performance of these units. Nevertheless, in any case, this is a welcome feature because the Government must be doing this thing specially because the Government must have been satisfied with the administrative performance of these units for all these years. Otherwise, the Government, in no circumstances, would have handed over this concern. That is what I presume. But the only thing I would like to submit is that if we had known these facts, it would have been better. Even now, in the reply, if the hon. Minister throws some light on the performance of these two units, it would be fit and proper. Secondly, I would like to point out another aspect.

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO) : Sir, I would like to say that in the Statement, all these facts have been given.

MR. DEPUTY-SPEAKER : You can tell it when you reply.

SHRI SHANTARAM NAIK : I am speaking only after going through it. I am not making my submission without reading the Statement. What I am saying is that if these aspects had been highlighted already about the units performance etc. we would have known about them. In fact, everybody is supporting the Bill. By that, we would have better known about the performance of these two units.

Secondly, as far as the rights of employees are concerned, I would like to state—I also share the feelings of my learned colle-

[Shri Shantaram Naik]

agree when he expressed about this—that whenever undertakings are taken over, as it is, the mechanism of recruitment, promotion, transfer of any unit or Government administration for instance, is not always fool-proof. When one unit is taken over by the other, obviously the first casualty is the employees. We have to admit this aspect. In such circumstances, when the unit was first taken over by the Central Government and for the purpose of administration when it was given to the Gujarat Government and the Mazagon Dock, what was the problem? Now, how the problems regarding employees, transfers, promotions, salaries and allowances would be solved? I would like to know about that aspect. Also, I would like to know whether there were any problems at that time when these units were taken over in 1973? After that, when these are now going to be permanently handed over to them, how these issues are proposed to be settled? In case if these units do not solve the issues of the employees to their satisfaction whether his Ministry is going to intervene in this matter and see to it that employees are satisfied within the set up of the administration. I would like to know about this aspect because this is a very important aspect. It is not like just transferring of assets and entering into some deed or things of that nature. Here, we have to look after the interests of the employees whenever a unit is taken over or transferred. So, I would personally request the hon. Minister to have a follow-up action after these units are permanently transferred.

Thirdly, as far as the manufacturing aspects are concerned, these units also manufacture barges, trawlers etc. In this manner, these items go into the market for sale. Specially, I am speaking in terms of my experience of Goa. The barge trade there is suffering a lot because of the downfall in the export of mineral ore. In such circumstances, what action are you going to take as far as giving of subsidy to the barge-owners or the other persons involved in the trade is concerned? Otherwise, they will manufacture and throw in the market, and as far as those units are concerned, they will not be viable. These aspects are also to be looked into.

Why not establish mini-steel units—it does not concern this Ministry; still I am making this point—so that you get steel for the manufacture of these items at a cheaper rate? Because today the costs of steel and other things are increasing. Again you will say that the workers cannot get their provident fund, etc., because the cost is increasing. Therefore, all these aspects like the manufacturing process have also to be looked into. You will now be giving the entire responsibility to the two States. Unless this follow-up action is taken on your side, the interests of the two units will not be taken care of. After you have handed over these two units to the respective States, kindly take the follow-up action so that those units become viable.

SHRI THAMPAN THOMAS (Mavelikara): Sir I welcome this Bill, of course; but I would like to point out one thing. There should not be a further Amendment Bill saying that the service conditions of the workers will be regulated by some other Bill or something like that. We know what happened in the case of Bharat Petroleum. When Burmah Shell was taken over like this and handed over to Bharat Petroleum in the last Session of Parliament, another Bill was brought in to see that they were not paid what they were paid elsewhere. I would like to say that the service conditions and the privileges of the workers should be maintained, and what they are entitled to should be discussed with the Unions working there and an agreement should be reached with them. No doubt, the Mazagon Dock and the Gujarat Government will have better control over these units than the Central Government operating from here and, therefore, the units are being entrusted to them. But I have a fear about one thing. If it is under the Industries (Development and Regulations) Act, which was applied for taking over this company at the time of take-over there is a provision in the Industries (Development and Regulations) Act which says that the management is interim and afterward it will have to be returned to the original party. I want to get a clarification from the hon. Minister—I hope he will give it at the time of reply—whether subsequently, after the Mazagon Dock and the Gujarat

Government have worked on these, the original owners of this company will have any claim over these units or by this Central enactment the first management from whom you took over will have lost every right, every privilege and every interest on those units. I could not see those provision in the present Bill. If that aspect has not been thought over or if there is any legal problem, that may also be considered and necessary steps may be taken in that regard.

When I am participating in this debate, I want to point out another aspect, that is, what is happening throughout the country in certain units of the private sector where they make the factories sick and the workers are thrown out of job. There are two major problems in my State; the hon. Minister may be aware of these. One is the Mavoor Rayon factory, a Birla concern. It is now closed for a long period. Earlier when the mill was taken over, the Congress was in power along with the left Parties; it was taken over by the State Government, but the High Court struck down the take-over enactment which was enacted by the State Legislature and the factory was given back to the Birlas. The Birlas have again closed down the factory. Now the factory is not working in Mavoor and it has been remaining closed for a long period. Now, in view of the experience gained that the State Government will not have the power to take over such industries which are mismanaged by the management for one or the other reason, the production channel which is available there should be taken over by the Central Government at the appropriate time, and for the purpose of management, if it is possible, it should be entrusted to the State Government. I do remember, Mr. Sidharta Shankar Ray, the present Governor of Punjab, himself argued for the Birlas in the Kerala High Court, and the take-over Bill which was got passed by the Government of Mr. Anthony, the KPCC President now and who was the Chief Minister at that time, was struck down. Still now the same problem they are facing and about three to four thousand workers in the city of Calicut are affected by the closure of that factory.

Another instance is also there from my State. There is this Dalmia which has pur-

chased Punallur Paper Mills which is also now closed down for two years. When we enquired into these things we found that these factories are closed down because of non-availability of raw materials or something like that. But ultimately the State's economy or the economy of that locality is very seriously affected. What I would like to bring to your notice is that there are problems not only in Dalmia and others but also in Bihar, Modinagar etc. You see that such factories are taken over by the Central Government and entrusted to the proper management in proper way to the local people when time arises. Of course, this is a good step which you are taking. But please see that the legal lacunae are overcome without difficulty and such measures are taken on a permanent basis to facilitate the workers to get the benefit of the production channel.

[Translation]

DR. G.S. RAJHANS (Jhanjharpur) : Mr. Deputy Speaker, Sir, there is not much to say about the Bill. The Government of Gujarat is willing to take over one unit as the same is working smoothly. The matter to which I want to refer is quite important. The other unit is working under the Defence Ministry and according to this Bill that is going to be transferred to the Defence Ministry. I am of the opinion that when a particular unit is transferred, the workers should be free to enjoy the same rights and wages which they enjoyed while working under the previous management. However, I would like to draw your attention towards an important issue. The recent police revolt in Gujarat has awakened the whole country. A blast occurred in the Jabalpur Ordinance Factory. One of its reasons was the perpetual rivalry among the trade unions. The time has come for us to give a serious thought to this question, whether trade union and militant unionism should be allowed in the ordinance factory and the police establishment when the country is passing through a crucial period. The Government ought to give and not take the rights from the most sensitive units as defence units. But precautionary measures must be taken against militant trade unionism, we must give a

[Dr. G.S. Rajhans]

serious thought to this aspect because our country is surrounded by a number of hostile neighbours. There can be sabotage within the country also. All the workers are quite faithful. Among them 99.9% can never indulge in any sabotage while 0.1% can be suspected of indulging in these activities. In the light of these facts the Government should take precautionary measures against the militant trade unionism. Otherwise the Government is satisfied and both the units can work properly. Thus it is nothing more than a formality and I fully support it.

[English]

SHRI INDRAJIT GUPTA (Basirhat) :
Sir, the Alcock Ashdown Company, as its name goes, is quite a well-known and prestigious company. In the old days, it was considered to be one of the foremost companies involved in the construction of light craft, river craft, sea craft and also for ship-building and repairing.

I would like to know that when the two units in Bombay and Bhavnagar were acquired by the Central Government in 1973, what was the condition of these units and what is their condition now. Were they taken over at that time because they were, what nowadays we call sick, sick units and were financially in a very bad condition for which, probably the earlier management was responsible? Therefore, the choice was between taking over the management or these units being closed down. Was that the position?

Now after fifteen years, this Bill has been brought. During these fifteen years the Mazagaon Dock in one case and the Industries Commissioner of the Government of Gujarat in the other have been looking after these two units.

I would like to know what is the position of these two units now because if they were really sick at that time, then how is it, as you stated here in the Statement of Objects and Reasons, that prior to the acquisition—even prior to the acquisition—both Mazagaon Dock and the Government of Gujarat had expressed their keen interest in ultimately owning the respective units in

the public interest. That means, even if they were financially unstable at the time of take over, they were considered to be capable of being rehabilitated and brought into a position where they could function efficiently and competently. Otherwise there was no reason why Mazagaon Dock and the Government of Gujarat even sixteen years ago should have been so keen on becoming the ultimate owners of these two units. So, I take it now that these two units are functioning satisfactorily.

As far as Mazagaon Dock is concerned, it is one of the prestigious units of the Defence Undertakings under the Ministry of Defence and it has a very good record and all that. I have no doubt that they will be able to manage and run this Bombay unit quite satisfactorily.

About the Gujarat Government, Department of Industry's running the Bhavnagar unit, I am not so sure. I apprehend that a time may come when the Gujarat Government through its Department may plead all sorts of difficulties and problems in running this unit and we may be up against another crisis in future.

The point which has been raised by other friends here is the one which is giving us some cause for anxiety because there will be two categories of employees—those who were already working before 1973, before the take over, and those who may have been subsequently recruited or who will be recruited now after the handing over of these two units to the tow concerns. Will they be treated on par or will they be treated separately? The reference which Mr. Thomas made just now about what happened in the case of employees of the Bharat Petroleum is very important. The Bill came only in the last session. We found that the Government made it clear that the pre-nationalisation employees who were there already at the time of nationalisation would be protected. Anyway, their number is declining every day because they are either going out of service or retiring. Their number is decreasing. They said that they will be protected. But the new employees who are recruited subsequently to that, after the nationalisation will have to have

completely new service conditions and all that and their service conditions will be determined by the Government, not necessarily through any negotiations and settlement with the employees. The Government has the power to just administratively decide on their working conditions, emoluments and all that. It is creating some problems now. I want to know in this case whether the intention is to make a similar distinction between the employees of Alcock Ashdown Co. who were already working prior to the take over in 1973 and those who are new recruits subsequently; new means those who joined after 1973 and those who may be now recruited newly. There is nothing said clearly in this Bill about that question.

In fact, it says here that as far as Bhavnagar unit is concerned, they will continue to enjoy rights and privileges as to pension, gratuity and such other matters and shall continue to do so unless and until their employment under the State Government is duly terminated, until their remuneration and other conditions of service are duly altered by the State Government. That means the State Government in this case has got the power to completely alter their service conditions, their emoluments and all that just by means of some administrative decision.

So it seems to me that these employees may not be protected adequately at all. In the case of Mazagon Dock Ltd. It being itself a big unit employing 15000 workers incorporating this unit of erstwhile Alcock Ashdown Co. Ltd. in Bombay which employs only 600 to 700 people in this big Mazagon Dock Ltd. well they will be able to look after themselves because they are quite well-organised and established and they can see to it that nothing is done without proper negotiation. But in the case of Bhavnagar unit I have grave doubts and I would like the hon. Minister to clarify the same.

Finally I would like to say that this question of taking over the management and administration of a unit and then later on deciding whether to nationalise it or to hand it over to somebody else or sell it out to some private party is very confusing. I do not think there is some clear-cut policy. I

understand that this kind of advice is being given to the Government by some prominent economists that as far as Government is concerned it should withdraw from some of their present industrial activity by selling, auctioning or amalgamation or something like that.

I have a particular case in mind which is also known to the Minister because he has been giving some assurances. It is regarding Bombay Chembur unit of Union Carbide—the same company responsible for the Bhopal disaster. They have a unit in Bombay at Chembur.

SHRI J. VENGAL RAO : I have not given any assurance.

SHRI INDRAJIT GUPTA : Copies of your letters are with me in which you have said the question of take-over is under consideration.

SHRI J. VENGAL RAO : It is not an assurance. The Act is under consideration.

SHRI INDRAJIT GUPTA : That is not a negative reply that you have given. Now this unit is making a huge profit. There is huge stock of raw-material with them. Whether you are thinking of taking over or not that company is selling off the raw-material. The Union has written to you. At least you should stop the sale of the raw-material. This is an important unit which will help you develop chemicals and fibre industry in this country.

Now my point is Government has not got a clear-cut policy in regard to take-over, de-notifying, etc. As far as these companies are concerned I welcome their being taken over. You have decided to incorporate one unit with the Mazagon Dock Ltd. and the other one has been given to Gujarat Government. You must make sure that the service conditions of the officers and the employees in both these units are fully protected and this protection should not extend only to pre-1973 staff but also to those who have been working all these years after 1973 and continue to work even now. We would like to get that firm assurance from Government otherwise we support this Bill and we hope these units will be

[Shri Indrajit Gupta]

able to stand on their own feet and work satisfactorily.

SHRI VIJAY N. PATIL (Erandol) : Mr. Deputy Speaker, Sir, I welcome this Bill. I just want to mention that ship-building is not a very old industry. But all the same in our country, especially in the Mazagon Dock Limited, all workers have done a good job for building the ships. We are able to produce ships of quite a good quality required for Navy, Coast Guard and also for civil use. The Mazagon Dock is presently earning foreign exchange. Under these circumstances, the take-over of the Alcock Ashdown Company's two units—one in Bombay and the other in Bhavnagar—and merging them with the Mazagon Dock, is a welcome feature.

I would like to suggest that we have to expand our activities to develop our techniques so that we are able to compete with the ship-building industries in other countries. For example, in the case of production of off-shore equipment like platforms, pipelines, orders for which are received from the Oil and Natural Gas Commission, the Mazagon Dock is not able to compete with some of the countries which are manufacturing the equipment required for off-shore oil drilling at throwaway prices. In this direction, the Mazagon Dock has to work hard.

The number of employees working in the Mazagon Dock is quite large. I hope the interests of the employees of the Alcock Ashdown Company after the merger will be protected and they will be getting all the benefits.

In the modern days of science and technology, we are also searching the bottom of the sea for different kinds of mineral wealth. We have found nodules of various metals at the bottom of the sea. Lately, we have purchased three research vessels. Only purchase of the vessels is not enough. In future, for operational purposes, that is for taking out the nodules from the bottom, we will have to build special ships.

The manufacture of such vessels has to be planned. I would like the Minister to have a perspective planning. After five to ten

years, such type of ships will be required which will be doing the work of bringing out the sea wealth to the surface.

We are also not able to produce the deep-sea fishing trawlers in this country. We are importing them. We have got a very large sea-coast. In this direction, some work is also required to be done. With these few suggestions, I support the Bill.

12.59 hrs.

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

14.05 hrs

The Lok Sabha re-assembled after
Lunch at five Minutes past Fourteen
of the Clock.

ALCOCK ASHDOWN COMPANY
LIMITED (ACQUISITION OF
UNDERTAKINGS) AMENDMENT
BILL—Contd.

[MR. DEPUTY-SPEAKER *in the Chair*]

[*English*]

SHRI C. MADHAV REDDI (Adilabad) : Mr. Deputy-Speaker, Sir, I support this Bill. There are one or two points which I would like to mention in this connection.

While going through the Bill I find that there is no clause by which the Government of India will be protected against the future litigation. May be that the present units, which are under the Gujarat Government and the Mazagon Dock Limited are incurring loss or their liabilities are more than the assets, but whatever it may be, we should safeguard our position. According to this Bill, after the de jure transfer of assets of these two units, a civil suit can lie against us. We do not know that. Such a safeguard was existing in the earlier Bill, but I do not see that safeguard here in this Bill. That should be taken care of so that we may not face any difficulties in future.

These two units which were run by the Company, called Alcock Ashdown Company Ltd. were running on losses. They were making ship building and many other essen-

tial items required for the industrial development of ship building etc. for Defence and in 1971, it went into difficulties and finally, the High Court ordered that this Company should be wound up. It was at this stage the Government of India took over the assets of the Company. They have not taken over the Company itself, because the Company was under liquidation by the orders of the High Court and a receiver had been appointed. At that stage what the Government of India had done by passing an Act in 1973 was to take over the assets of these two units, formerly belonging to this Company. Now, the Company is not in existence; it has been wound up. What exists today is only the assets of the former Companies which are now being managed by the Mazagon Dock Ltd. and the Industries Commissioner, Government of Gujarat. This is the actual position as far as the legal position is concerned.

We are very happy that we are transferring the full ownership rights to these institutions and I have no objection to that. In fact, that should have been done a long time ago, there was no need for us to wait for fifteen years when *de facto*, we had transferred those units to these institutions. Now, when we are doing it, the only safeguard that we should provide is to see that in future nobody can go to the court against the Central Government. That provision should have been there. It is a lacuna and even at this stage I would request the hon. Minister to reconsider and move such an amendment to make a provision in the Bill.

SHRI SRIBALLAV PANIGRAHI (Deogarh): Mr. Deputy-Speaker, Sir, I welcome the Alcock Ashdown Company Limited (Acquisition of Undertakings) Amendment Bill whole-heartedly. In fact, in a way it is the fulfilment of the assurance given to the Government of Gujarat as also to Mazagon Dock Ltd., an undertaking of the Government of India, Ministry of Defence. Ever since taking over of these two units of this Company by the Government of India, their managements were entrusted to the Government of Gujarat and the Mazagon Dock Ltd. for the Bhavnagar and Bombay units respectively. And since then, over the period running to about 15 years,

they have been running these two units quite well.

Sir, an Hon. Member, Shri Indrajit Gupta from the other side, while participating in the discussion wanted to know about the health, the present condition of these two units. The very fact that over the years they have been managing these units and both the Government of Gujarat and the Government of India Undertaking are evincing keen interest to take the ownership of these two units shows that the health of these two units is good enough. They are in excellent health, otherwise they would be quite enthusiastic to wash off their hands from these units. Had they not been in good health had they not been running properly, both the Government of Gujarat and the Government of India Undertaking would be quite enthusiastic to wash off their hands.

At one time this was a prestigious company. About 94 years ago, the Britishers had established this company and as in other fields here also they exploited the workers to the fullest extent possible. They repatriated some hundreds and crores of rupees from this company. When we achieved independence, they in their wisdom realised that they could not ~~hold~~ the situation any more and for the workers to sell away the shares of this company, workers of Mundhra. Thus Mundhra came to own the factory. But, Sir, again it is reported that the Mundhra also plundered the wealth of this company in as much as it cornered about 1.65 crores of rupees.

I would like to know from the Hon. Minister what steps have been taken over the years to realise this amount from the Mundhras. It is good on part of the Government of India to take over the company. So, I would like to know the steps taken by the Government in the matter of recovery of this amount from Mundhras.

In the Statement of Objects, it has been mentioned that they have been evincing keen interest to finally take over both the Gujarat and the Mazagon Dock units respectively. That is now going to be fulfilled. In a sense it could be said that it was taken over some 14 or 15 years ago and now it is going to be nationalised with the ownership of these

[Shri Sriballav Panigrahi]

units vested with Gujarat Government and the Mazagon Dock Ltd. and Defence Ministry and its wing.

Then, Sir, some doubts were raised that when there is litigation, the Government would again have to amend the Act. In 1973-74, such an occasion arose. After the take over also, the other party had taken recourse to litigation and there were some complications. Later on, that was overcome by bringing in suitable amendments to the Act. But I do not think, any such occasion would arise now. Even if such a problem occurs, who are the parties among whom it has to be sorted out? The parties concerned will be the Government of India, Government of Gujarat, the undertaking under the control of the Ministry of Defence and the workers. Therefore, it will not be a problem. Anyway, the hon. Minister may carefully look into this aspect also.

I would conclude by mentioning just one point. During 1973-74 also, there was a demand from certain quarters for the formation of a cooperative of the workers. The employees must be involved in the management. Since it is our professed philosophy and policy to ensure workers' participation, I would urge upon the Minister for Industries who is present, to consider this aspect. The workers are obviously working in a very cordial atmosphere and they are restoring the good health of these two units. The hon. Minister may kindly see whether the workers can be better associated with the management. This aspect should be examined. Of course, it has been provided in the Bill itself that the interest of the workers will be safeguarded. I urge upon the Government and the Minister that this has to be very much ensured.

With these words, I support the Bill, once again requesting the hon. Minister to kindly examine and accept the suggestions given by me. Thank you.

DR. DATTA SAMANT (Bombay South Central): Sir, I am concerned about the welfare of the workers of the Alcock Ashdown Company and the Mazagon Dock. I got my recognised union in these units for the last eight years or so. Technically, the Minister may be agreeing to every thing.

would like to raise a very important point. This unit is owned by the great Mundhra family and they have ruined these two or three units. One of them is this Alcock Ashdown and the other is the Richardson and Cruddas, which happens to be a public sector unit and which is running at a loss of Rs. 15 crores. At present, the union of this unit is also with me. The Alcock Ashdown has ruined this unit and nearly 2,000 workers in Bombay were out of job for four years and there were a lot of agitations. When the Centre had taken over this unit, out of those 2,000 workers just about 800 workers were taken or it may not be even 800. As far as the remaining workers are concerned, they did not get even their terminal dues and many of them died too. Some of their litigations are still pending in the Supreme Court and the High Court. You are taking over this company and that is all right. But I would like to know from the hon. Minister as to what action is being contemplated against the great Mundhras, who are responsible for the closure of the unit. The real culprit who has retained the money and who is acting against the interests of the workers and the Government is scotfree. And it is not just one unit. There is also the Richardson and Cruddas running at a loss of Rs. 15,000 crores. All these points should be answered by the Minister in this House. That is my request. I stress this point because 1500 workers had retired or died and their dues have not yet been cleared. As regards the workers who are taken into the Mazagon Dock, their pay has been brought down to the start of the scale and not fixed at the final level. So, they are losers on this front too. Of course, the fate of about 600 to 700 workers who are employed in the Mazagon Dock is very good. It is so because they are with my union and it is not because of the efforts of the Government. They amalgamated with the 14,000 other workers there and we are looking after their interests very well. Anyway, that is not the question here. The question is that the Alcock Ashdown Branch in the Mazagon Dock is doing a very good job on the offshore platforms and the workers have been contributing a lot through their good work. Mazagon

Dock has spent about Rs. 100 crores for its development in the last five years and the unit is doing very well. Now, Sir, you are handing over this Alcock Ashdown to the Mazagon Dock, which is a Defence unit. Now again the stand of the Government is changing. During the last three years, the contracts for the off-shore platform were not given to the Mazagon Dock. The contracts were given to the Korean or Thai companies. That is why they are competing. During the last discussion on privatisation, you have allowed the foreign companies to compete with the Indian companies, particularly in regard to the putting up of platforms. With the result workers of the Mazagon Dock were kept idle. They didn't have any work. During the last three years, the losses of the Mazagon Dock went up from Rs. 18 crores to Rs. 20 crores. This is my main agony. In this connection, I had written a letter to the Defence Ministry. I had a talk with Shri Shivraj Patil. The fault mainly lies in the hands of the management. The top officials are not looking after this Dock properly. In the Mazagon Dock about 14000 workers are working. They hardly had any work to do. But still you were paying them salary. I want that the Government should fix responsibility. They should give work to the workers. Nobody is bothered even to see what they are doing. They have changed the Director of the Company. Still there is no work.

Therefore, I appeal to the Minister to look into this problem, so that it is not aggravated any further. In the last two years, over 2000 workers—who were juniors and who were working in the temporary capacity—were removed. I am fighting a battle for those workers in the Courts. Out of these 2000 workers, about 600 of them were from Alcock Ashdown Company. Still you are not looking after this unit properly. In spite of my taking up with the Government, nobody is even bothered to look after this company. I would say that because of our Union, the workers' interests are being protected.

Now, the Government is coming forward to reduce the Dearness Allowance given to the workers in the Mazagon Dock. For the

last three years, they were trying to reduce their Dearness Allowance. They want to introduce the Industrial D.A. I am fighting this case in the Courts. The High Court has given us the stay order. It is because of this stay order, we were able to protect their Dearness Allowance which they are getting, till now. I am making this charge on the Government. You see the existing wage structure of the Bharat Petroleum Company. If you continue to work against the interests of the workers one day you will definitely find that the workers will suffer. So we are taking legal actions. We are agitating for the benefit of the workers. So far, we have protected the interests of the workers.

In this Bill you have said that the interests of the workers will be protected. Their Provident Fund will be protected. Everything will be protected. I do not know why you are so allergic to the Mazagon Dock and the Alcock Ashdown Company. Here I don't think you have protected anything. It is we who have protected the interests of the workers by our legal battles. You are just giving lip sympathies, here in this House. Each and every Member talked here about the welfare of the workers but nobody is keen to do anything concrete for the workers. Already about 11,000 workers were retired. Their dues are not being paid.

Regarding the technical aspects, I can agree. The points which were raised here should be given a serious consideration by the Government. Now, I would like to ask the Government, how much money was swallowed by Mundhra. How much money was spent for taking over the company? What is the fate of the workers? May I know from you whether their dues are paid or not or this Government is going to protect the interests of these workers or not?

After the privatisation, you are giving contracts to the Iranian or Korean people. You take the case of ONGC platform. This unit is suffering. We have built shipyards for the submarines. But now you are purchasing the Sub-marines from a West German firm.

Now I want to point out to you that in Bombay about 171 textile mills are lying

[Dr. Datta Samant]

sick. Take for example Wymen Gordon, Scindia, Metal Box, etc. I don't know what the Government is going to do. Now you want to shift these units to other places. You have announced that Government is not a hospital to look after the patients. The Government is not going to take over any unit. But what about those who are responsible for creating this type of situation. In other respects, your policy is to move towards privatization. So, this is a serious aspect which I would like to raise in this House.

Another point : there is a BHEL unit near Bombay. It is manufacturing video tubes—white and colour. It is running at a profit. This Government is going to give this to the private sector. Only God can understand the attitude of this Government. You are always moving towards privatization. I do not think we will be a party to it.

So, as far as this Bill is concerned, let the hon. Minister clear all the points e.g. liabilities, losses, and workers interests and what Government has done for them. Only then we can support it.

SHRI CHINTAMANI JENA (Balasore) : I rise to support this amendment Bill, and I would like to speak in my mother-tongue Oriya, for which I have already informed the Secretariat, for its interpretation.

*Mr. Deputy Speaker, Sir, I rise to support the Alcock Ashdown Company Limited (Acquisition of Undertakings) Amendment Bill. I would like to speak in my mother tongue Oriya about which I have already intimated.

Sir, many Honourable Members have already spoken on this Bill. They have covered almost all the points. Still, I would like to say a few things. The Alcock Ashdown Company Limited comprised two units. One was located at Bombay and other was in Bhavnagar, in the state of Gujarat. Both these units were facing severe financial crisis. The employees working in these two units were facing a lot of problems. The service conditions of those employees were not being

properly protected. At that point of time, the Government took a decision to take over these two units. The Alcock Ashdown Company Limited (Acquisition of Undertakings) Bill was passed in 1973. Immediately after the acquisition of the undertaking, the Central Government, in exercise of its powers, entrusted the management and the administration of the two Units to Mazagon Dock Ltd. and the Industry Commissioner, Gujarat respectively. The Mazagon Dock Limited is a Government of India Undertaking under the Ministry of Defence and the Bhavnagar Unit is under the Department of Industry of the State Government of Gujarat. It is heartening to note that both these Units are now working very well. I take this opportunity to thank our Government for taking right decision at the right time. But some problems arose at a later stage with regard to the transfer of the assets of these two Units. Under the existing provisions of the Act, the transfer of assets of the two units would not become possible. After examining the provisions of the Act, it appeared that in the absence of the specific provisions the Central Government can not transfer the rights, title and interest vested in it to any other Government organisation. Therefore, it was felt necessary to bring forward an amending legislation. The Bill seeks to re-vest the property of the Bhavnagar and Bombay Units of the Undertakings of the Alcock Ashdown Company in the State Government of Gujarat and Mazagon Dock respectively. While speaking on this Bill, I would like to say one thing in regard to the employees working in these two Units. Sir, a few months ago, we were discussing the Bharat Petroleum take-over Bill. Bharat Petroleum Ltd. was earlier owned by Burmah-shell. There were some employees working in that company before the take-over. Their service conditions were not regulated properly. They did not get the same benefit and privileges enjoyed by the employees recruited after the take over. In some cases the newly recruited employees did not get the same scale drawn by the employees working in that Company prior to take-over. However, this problem might have been sorted out now.

*Translation of the speech originally delivered in Oriya.

Sir, the policy of our Government is to safeguard the interest of the employees and workers at any cost. I am glad that the present Bill seeks to safeguard the interest of the existing employees of Bhavnagar unit. But it is generally seen that some State Governments do not pay proper attention to safeguard the interest of the employees. The Bill is now going to be passed. At this stage, I would like to ask one question to the Honourable Minister. I hope, he will tell us if the amendments made in the Bill can help the employees. As I had said earlier, the policy of our Government is always to safeguard the interest of the workers. I hope the Government will see to it that the employees working in these units are allowed to continue in service. So also the transfer of the provident fund and other funds to the State Government should be restored and regulated.

Another thing I would like to say with regard to the workers. As you know, our Government is laying emphasis on workers participation in management. In the case of the present two Units, the workers should be allowed to participate in the management. I thank the Ministry of Defence as well as the Government of Gujarat for running these two units quite satisfactorily. After the passing of the Bill, it should also be seen that they perform quite well. Though this is a small amendment Bill, it will go a long way in safeguarding the interest of the workers. I think the Honourable Minister for bringing such Bill. I once again support the Bill wholeheartedly and conclude my speech.

SHRI HARISH RAWAT (Almora) :
Mr. Deputy-Speaker, Sir, I welcome this Bill, which has been brought to observe a technical formality. Through this Bill, the Government intends to transfer technically the ownership of those units to Mazagaon Dock Ltd. and the Government of Gujarat which are already being managed by them. I would like to congratulate the hon. Minister for his efforts to safeguard the interests of the employees through this Bill. It has been ensured that the employees presently working in these units are not retrenched by the management of Mazagaon Dock Ltd. or by

the Government of Gujarat. The benefits of provident funds etc. are also protected. In 1973, when the Central Government had taken over these units, these units were being managed by some private party which had liabilities towards its employees but since then nothing has been done to recover the amount of liability from that private party and give it to the employees. Whatever action you had taken in this regard, is now under litigation. Nothing was done to safeguard the interests of the employees. I would like to request the hon. Minister to see that no complications are created in this regard and whenever we take over the sick units, we should take care that the people responsible for the sickness of these units should not be left scot free. There should be a provision in the Act to make the recoveries of the liabilities from the previous owners binding on them at the time of the taking over of the units, otherwise such tendencies will continue to increase and we will also continue to take over the sick units.

I would like to make one more request to the hon. Minister. Two units have been taken over. It has been stated that the sick units of the public sector will be handed over to the private sector, but my submission is that instead of this exercise, we may form an employees' co-operative and may revive the sick units again, after writing off the old dues. That will develop a healthy-trend and a participatory culture among the workers to make them feel more responsible. Besides this, we will also be cleared of the charge being levelled against us that we are handing over sick public sector units to the private sector and closing down the sick units of the private sector, which is increasing unemployment. Hence, I would urge upon the Government to give a chance to the workers of sick units, if they are willing to form a co-operatives and thus revive their sick units. With these words I support the Bill.

[English]

THE MINISTER OF STATE IN THE
DEPARTMENT OF INDUSTRIAL
DEVELOPMENT IN THE MINISTRY OF
INDUSTRY (SHRI M. ARUNACHALAM) :

[Shri M. Arunachalam]

Sir, I am grateful to the hon. Members for their interest in debate on the Alcock Ashdown Company Limited (Acquisition of Undertakings) Amendment Bill and the suggestions given by them. Most of the members, including my learned friend Mr. Indrajit Gupta were asking about the performance of the unit. Coming to the performance of the unit, the Alcock Ashdown Company was making profits till 1965 and it started declining from 1969 onwards and came to a closure in January 1971. After it was taken over, the unit has made steady progress with financial assistance from the Government of Gujarat and technical and marketing assistance from MDL. (*Interruptions*)

DR. DATTA SAMANT : What have you done to Mundhra ? You have taken over it.

SHRI M. ARUNACHALAM : We are not concerned with it.

THE MINISTER OF INDUSTRY (SHRI J. YENGAL RAO) : We had taken over and Rs. 1 crores was paid as compensation and it is over. Now the question about payment of arrears to employees is before the court.

SHRI M. ARUNACHALAM : Coming to the profits made, the Company started making profits in 1982-83 when it made profits to the tune of Rs. 0.44 lakhs, in 1983-84 Rs. 6.06 lakhs, and in 1984-85 Rs. 28.20 lakhs. The unit has a sizeable plan of expansion, for construction of large size vessels etc. Looking to the long term future transfer of this undertaking to the Government of Gujarat will prove to be profitable.

Coming to the labour side, for safeguarding the interests of the employees—most of the members have raised this point—I would like to clarify that by virtue of the new Section 8C(1), every employee of the Bhavnagar unit shall become an employee of the State Government and shall hold office or service under that State Government with the same rights and privileges as to pension gratuity and other matters as would have been admissible to him if there had been no such vesting. The State Government, therefore, can-

not terminate the services or alter the terms and conditions of the employees without giving them hearing or without observing the principles of natural justice. Therefore, there is no scope for the apprehension that the State Government will exercise its power under Section 8C(1) arbitrarily.

Section 8C(3) provides that claims regarding any arrears of salary or wages are enforceable against the Central Government and not against the State Government. This also protects the interests of the employees.

Coming to the point raised by my learned friend, Shri Madhav Reddi, regarding the safeguarding of the interests of the Central Government in future for vesting of liabilities and assets, they shall be deemed to be the rights and liabilities of the State Government and Mazagon Dock Limited by virtue of Section 8A and 8B.

Further, according to 8E, all contracts, agreements, bonds, etc. shall be enforceable against the State Government from the date of vesting, and not against the Central Government. Therefore, there is no need for any further safeguards. I, therefore, request that the Bill may be passed with the amendments.

MR. DEPUTY SPEAKER : The question is :

“That the Bill further to amend the Alcock Ashdown Company Limited (Acquisition of Undertakings) Act, 1973, be taken into consideration.”

The motion was adopted.

MR. DEPUTY-SPEAKER : We will now take up Clause by Clause consideration of the Bill. Clause 2.

The question is :

“That Clause 2 stand part of the Bill.”

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3 (Insertions of new sections
8A, 8B, 8C, 8D, 8E and 8F.)

Amendment made :

Page 4, line 8,—

for "1987" substitute "1988" (3)

(*Shri J. Vengal Rao*)

MR. DEPUTY-SPEAKER : The ques-
tion is :

"That Clause 3, as amended, stand part
of the Bill."

The motion was adopted.

Clause 3, as amended, was
added to the Bill.

Clause 1—(Short title)

Amendment made :

Page 1, line 4,—

for "1987" substitute "1988" (2)

(*Shri J. Vengal Rao*)

MR. DEPUTY-SPEAKER : The ques-
tion is :

"That Clause 1, as amended, stand
part of the Bill."

The motion was adopted.

Clause 1, as amended was added to the Bill.

MR. DEPUTY-SPEAKER : There is an
amendment to the Enacting Formula also.

Enacting Formula

Amendment made :

Page 1, line 1,

for "Thirty-eight" Substitute—

"Thirty-ninth" (1)

(*Shri J. Vengal Rao*)

MR. DEPUTY-SPEAKER : The ques-
tion is :

"That the Enacting Formula, as
amended, stand part of the Bill."

The motion was adopted.

The Enacting Formula, as amended,
was added to the Bill.

MR. DEPUTY SPEAKER : The ques-
tion is :

"That the long title stand part of
the Bill."

The motion was adopted.

The long title was added to the Bill.

SHRI J. VENGAL RAO : Sir, I beg to
move :

"That the Bill, as amended, be
passed."

MR. DEPUTY-SPEAKER : The ques-
tion is :

"That the Bill, as amended, be
passed."

The motion was adopted.

14.42 hrs.

FOOD CORPORATIONS
(AMENDMENT) BILL

[*English*]

THE MINISTER OF STATE OF THE
MINISTRY OF FOOD AND CIVIL
SUPPLIES (SHRI SUKH RAM) : Sir, I beg
to move :

"that the Bill further to amend the
Food Corporations Act, 1964, be taken
into consideration".

Under Section 27 of the Food Corpora-
tions Act 1964; a Food Corporation can
take advance or borrow money from the
Central Government or from any Scheduled
bank or from any other bank or financial
institution approved by the Central Govern-
ment. The provisions of the Act do not
permit FCI to borrow funds from other
sources or to issue and sell bonds and
debentures.

Clause 2 of the Food Corporations
(Amendment) Bill 1987 proposes to amend
Section 27 of the Food Corporations Act,
1964 so as to enable the Food Corporation
to raise funds by issue of bonds and debentures.