

17.30 hrs.

DISCUSSION *RE* : CLOSURE OF A
NUMBER OF INDUSTRIAL UNITS[*English*]

SHRI AMAL DATTA (Diamond Harbour): Sir, in practically all the sessions of this Parliament, we have been discussing this issue of sick and closed industries. Now we have discussed these issues thinking that it is an important issue in the eye of the Government also. And we tried to influence the Government's way of handling this very vital and important issue, vital and important for most of the States having industries of one kind or another.

Now, Sir, unfortunately, it seems that the effect has been totally negative rather than positive. While the Government has started with a policy of tackling industrial sickness in the early seventies, and had gone on with that policy till the advent of this Government, but from the very beginning of this Government, they have been trying to initiate a different type of policy, namely, that let these sick industries be left to their fate. When the Prime Minister first started to say things of this nature that if the industries have gone sick, we cannot do anything about that—we, at that time took it as an expression of his inexperience in governmental affairs and did not give much weight to that kind of statement. We thought that these are off the cuff remarks having no great weight in the affairs of the Government and now the Government will have to sit down and formulate a policy to tackle industrial sickness. But unfortunately, as days have gone by, the Ministers who were supporters of the earlier policy have veered round to the other side, the side of the so-called liberalist in industry and trade, so-called supporters of free enterprise and competition. We see the sorry spectacle of

people who were great upholders of public enterprise at one time, like Mr. Vasant Sathe had gone to the other extreme and initiated a new policy of liberalism, of privatisation, of euthanasia for sick industries. If they cannot survive, let them die. That seems to be the beginning of turning of Government policy. Unfortunately, our present Industries Minister Mr. Vengal Rao who till last year had been very adamantly supporting our cause in favour of sick industries has now been singing a different tune. Personally to me he has said in respect of one industry—Associated Babcock Ltd.—which closed down 1 1/2 years ago and because of whose closure 8000 people—5000 people in West Bengal and 3000 people in Karnataka—have lost their employment, in no uncertain terms, with great amount of certainty, that he will see that this industry is reopened within a very short time.

THE MINISTER OF INDUSTRY (SHRI J VENGAL RAO): Even now there is no change of attitude.

SHRI AMAL DATTA: Well, there is no change of attitude, I am very glad to hear it; let it be recorded in the books of this House and we shall be able to quote it in future.

Unfortunately, I think that Shri Vengala Rao also has changed the attitude. I don't know what is his recent pronouncement in respect of ABL; at least there is no sign of that industry being on the way to re-opening—that much I can say. But he has made a statement regarding Bengal Potteries where he did say that denotification of Bengal Potteries could be avoided as a result of which the trade unions had to approach the High Court at Calcutta and get a stay order from the Court.

This is something which has to be noted as a mark of the Government's policy change in effect. Before that, the Prime Minister started off and on saying that we

cannot carry the burden of sick industries, they have to close down. Then, Shri Vasant Sathe came into the field and started the process of debate. It was taken up funnily enough I find by the ex-President Giani Zail Singh and then some of the formulators of Government's economic policy like Shri L.K. Jha, who has always been a liberalist in his approach, and by the Member of the Planning Commission, Dr. Raja Chelliah who has also recently pronounced in the same manner.

You see that the Government's attitude has hardened. It has gone on to the other side; not only it has gone on to the other side—this Government started with the philosophy of free enterprise, competition and things like that which was not the philosophy of earlier Congress Governments—but there is a considerable Americanisation of the economic policy, in spite of all that has been said before in this House on both the sides regarding American political policies.

SHRI J. VENGAL RAO: Just now we opposed the American policy, we criticized them. Again you are eulogizing the American policy!

SHRI AMAL DATTA: That is what is surprising to us that while on the political field, at least in pronouncements, you oppose the American policies, but in the economic field you follow the dictates of the IMF and World Bank which are American agents for their policy formulation.

I don't know what good will come of this debate. We have been debating, but nobody has been taking any notice. As I said, they have been all the time veering to the right and have been following the dictates of the IMF/World Bank conglomerates that there must be more competition, more free enterprises and sick industries cannot be helped to re-open.

What in fact has been happening, according to statistics, is that the number of sick industries have been going. There are three categories, Large, Medium and Small units. From 1980 to 1985 December, I have got the statistics; I don't have any further statistics beyond that. It seems that in the case of large industries, the number of industries which are sick have gone up from nearly 400 to nearly 650—more than 50% rise in course of six years. In respect of medium scale industries it is from 1000 approximately to 1200. In respect of small industries the rise is phenomenal that is, from 23,000 to 1,18,000. That is the order of rise in the industrial sickness.

In the case of bank and financial institutions credit I will give only the total figure. From Rs. 1800 crores of bank credit being blocked up by large, medium and small industries in December, 1980 the figure has gone up to Rs. 4300 crores—a rise of two and a half times. Of course, out of this the large industries are responsible for blocking of 60 per cent of the bank and financial institutions credit. Their number is only 3,000. They are very small in number as compared to 1,18,000 small industries which have blocked 1,000 crores of finance.

Another point I would like to mention at this stage is that there is a some kind of an attitude of the Government and most of the Members of this House think that sickness prevails only or mainly in the Eastern region and particularly in my State, West Bengal. That does not happen to be true. At least it does not happen to be true any more.

SHRI J. VENGAL RAO: You are number two. Number one is Maharashtra.

SHRI AMAL DATTA: I will give you a different kind of statistics. There are various ways of expressing these figures. One can go by the number of units and also by the amount of bank and financial institutions

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credit and also by the number of people thrown out of employment. For last one which is most important no statistics are available whatsoever. The Government is so negligent that they care less to know how many people have been thrown out of employment because they do not maintain the statistics as to what number of people who have turned unemployed because of the closure of the industrial units.

DR. DATTA SAMANT (Bombay South Central): About 50 lakhs.

SHRI AMAL DATTA: But Government has no figures. Figures are available in respect of blocking of bank and financial institutions credit. From that it seems that Maharashtra alone is responsible for the largest amount of blocking of bank credit in both large scale and small scale sector. The Minister may kindly verify this. Maharashtra and Gujarat together are responsible for about half the blocking of funds. Although the number of industries which are closed is large in West Bengal, namely, 18,000 small industries in West Bengal are closed as against only 8,500 in Maharashtra yet the small industries in Maharashtra have blocked bank and financial credit to the tune of Rs. 187 crores as compared to 18,000 small industries in West Bengal blocking only Rs. 142 crores. That means the small industries in West Bengal which are closed down are small whereas in Maharashtra they seem to be large in size. The Government have no statistics on which we can really base a debate of this nature. It doesn't think that this subject is important because the ultimate attitude is that we will let the concerns die out. So, what is the use of even collecting data and statistics.

When analysing the process of industrial sickness, I find that there is a good deal of similarity between an industrial sickness and a great man. An industry becomes sick

in three ways: It is born sick or it becomes sick or sickness is thrust upon industry. That is the similarity I am referring to. How industry is born sick? Because the Government delays in giving it sanctions. The governmental financial institutions or banks delay in giving it finance or give it in trickles in such a fashion that by the time it is commissioned, it is sick. A study made by the Reserve Bank quite sometime ago—I think, it was in 1983—shows that 60 per cent of the industries got sick in this fashion. They were born sick because by the time they were commissioned, so much time had elapsed; the gestation period had become so long that the debt burden simply could not be repaid. As days went on, it became larger and larger. Ultimately they had to close down. Then, the study was made but nothing has come out of that study. There is no expedition in the scrutiny of such cases and release of funds by the banks and the financial institutions. The same story is repeated; the study and its conclusions notwithstanding. Again this is a symptom of the Government's malaise, its callousness and its neglect of this vital sector.

Apart from Rs. 4,000 crores of the governmental financial institutions and banks, in all these industries, the amount of capital which has been blocked up is Rs. 20,000 crores because it is not only the banks and financial institutions but the money which was originally there. Today the value of the real property, machinery, etc., together amounts to Rs. 20,000 crores. It is not a small amount by any means. It has been made idle because they are closed. Nothing is being produced. Even if you look at it purely from a monetary point of view, you should see that the industries open and produce according to their capacity.

I have said that industries are born sick and they become sick. How do they become sick? Because there is bad management, bad planning or there are bad Government

decisions by which their market is taken away, their raw material sources are taken away. This has, in fact, happened. I just give you an example to illustrate my point. Bengal Potteries, for which the Minister did not want to extend the notification, on that date, became sick because the Government took a decision that insulators which constituted 50% of the produce of that factory, will be reserved for small industries. At that time, Bengal Potteries were dependent for 50 per cent of its revenue on the electrical insulators and telephone insulators. So, small industries were indiscriminately encouraged and promoted to produce insulators when it was not necessary for them in that particular sphere at all. The governmental institutions were the main buyers. The electricity undertakings and the telephones department, they all belong to the Government. They were instructed to confine their purchase of insulators to small industries. They obeyed the Government's instructions as far as possible and as a result, Bengal Potteries became sick. After it became sick, the Government took over for a period of five years. It took them two years to commission it and for three years it made profits. The Minister may not know it because it has been discussed many times before Mr. Vengal Rao became the Industry Minister. After the initial five years elapsed, in the last three year of which the Bengal Potteries had generated its surplus, they started extending the period of notification, the period of Government's management by three or six months. The management which was controlled by the Industrial Rehabilitation Corporation of India was not given any loan by any bank by way of working capital and the industry could not therefore produce even 10 per cent of its capacity and it became ill and ultimately it had to close down. Practically, it remains closed since 1981-82, which was the last year of the initial five year notification period. We had several meetings with the Government. We urged them to provide working capital for these industries but they have

never done so. They have deliberately kept it ill and this is an example of illness thrust upon an industry. The Government policy of reservation of insulators for small scale industries was formulated forgetting the large industries which were already in the field and what will happen to the workers? Secondly, when it was able to stand on its own feet, the working capital was denied by a simple policy of not giving another lease for five years, a simple policy to extend its life for three months or six months and no bank can give credit for that period of time. In any case you could have provided finance which you did not. So, one after another, industries have been made sick by the Government's policy. It might have been by the management also. There have been other cases like Bengal Potteries. I am concerned mainly with West Bengal and I can give out examples only on that. Industries like National Tanneries became sick because of the management. Government took over the management. Government, through the agency of STC acquired 81 per cent of its shares and STC did not take up the management. How can we reconcile this kind of action? You take up the management, you acquire 81 per cent of the shares and you refuse to manage it as a result of which National Tanneries which was sick to start with became more sick. Some refractory units were taken over when Burn Standards was formed by nationalisation of the Burn Standards Company. These refractory units should have been amalgamated with other companies having such units. It was not done. It need not have lost its market—the Indian Iron and Steel Company. Steel went to one Ministry and the refractory units which was supplying the same steel went to another Ministry. The two Ministries were not on taking terms as a result of which the workers suffered and the industry closed down. Now, the consultant said at one point of time, in the late 1970s, that injection of some finance by way of modernisation will make them viable. What was the range of finance? It was something

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like five lacs or six lacs by way of investment. That was also not taken up by the Government. On the other hand, from 1983 the Government had been constantly trying to close it down. They have given closure notice for three times. They have not been able to close it because they have gone to the High Court and the High Court have stayed this closure. Their attitude is that they would pay the wages by way of charity and they would not see that the industry stood on its own feet.

In the case of Bengal Potteries, there is Tata Consultants report that a sum of Rs. 12 crores will be required to make it viable. The Government is spending Rs. 6 crores per year by way of wage payment, but the same Government will not pay Rs. 12 crores by way of investment to make it viable. What is the implication? The Government does not want this industry to regain health because the Government is interested that there should be no competitor for its favourites. The licence has been given to a Birla industry now to start a factory to produce crockery in U.P. Wonderful. It is in the Prime Minister's constituency. They are making all industries sick everywhere else in the country and putting up industries only in Amethi, so that they can survive. If there is competition, they cannot survive.

Now, the Government has formulated a policy which earlier we thought were only infantile pronouncements of a pilot, who had suddenly become the Prime Minister of India. He knew nothing about the economy. This has now become the Government's sacrosanct policy that the sick industries must be made to die. In view of this. The Industries Minister must change his attitude or he must resign.

With these words, I conclude.

[*Translation*]

DR. G.S. RAJHANS (Jhanjharpur): Mr. Deputy Speaker, Sir, just now when I was listening to my friend, Shri Amal Datta, I recollected the days when I was a Senior Executive in the Bird and co. in late 1960s. The Union of the company was in the hands of his party. I used to sit in the Chartered Bank Building those days, and I saw what they did there but I would not relate it here. If that company become sick, it was only due to the their party which controlled the Union. The owner, the Manager and the Executive were in no way to blame for making the industry sick. The Union used to gherao the Manager and Executive and demanded overtime allowance with out doing any work. When I was a Senior Executive in that Company. I used to tell them that I am a middle-class man and they shall not get anything by gheraoing me. I told them that I am an educated person and I can find employment elsewhere but if they behaved in this manner with other executives the company will close down. My words came true and that company closed down. A time was there when Bird and Company was a very big company. The Company closed down due to the militant attitude of the C.P.M . union. The Executive of the Company were told by the union that the Company would soon belong to them. Besides, the Executives were getting less than the workers who forcefully used to draw Rs. 2000 to Rs. 2,500 P.M. by way of over time allowance. The Executive used to get Rs. 1500 only. I mean to say that it is the Union which made the industry sick. Today you are also repenting and we are also repenting.

(*Interruptions*)

[*English*]

SHRI AMAL DATTA: How much did they use to steal.

DR. G.S. RAJHANS: Not a pie. You give me one example. (*Interruptions*)

[*Translation*]

Just listen to me, please. I know it. There is no doubt that the entrepreneurs in this country have made a number of industries sick by indulging in swindling. Just listen to me, please. (*Interruptions*). I had said in this House a year ago (*Interruptions*) please listen to me. Let me speak.

A year ago I had said that there is no better business for the capitalists in the country than taking loans from the financial institutions, fill their coffers and then say that, the company has become sick. I have narrated this story earlier also and I am once again repeating it. A marriage was to take place between two rich families. The bridegroom's side was told that the bride's household was raided by the Income Tax department 5 or 6 times. Not only this, they had 5-6 sick industries to their credit. This meant that the bride's family was very rich. In this connection, I would like to state that the industries are made to sustain heavy losses from the beginning. The capitalists deliberately make it sick in order to fill their coffers. If the Government keeps a strict watch on it, no industry can become sick. These industries become sick because there is nexus between Government officers and industrialist and they make the industry sick. Now the time has come that when we should think in a very dispassionate way and decide as to what policies are to be adopted for various industries. Those who were entrusted the work of running the public sector with hope that they will run it properly, have defamed us. The Executives of the Public Sector have swindled lot of money and turned these industries sick. A raid was conducted on the house of the Managing Director, Cement Corporation of India and a sum of Rs. 50 lakhs was seized from there. Consequently, he was suspended. What was the use of

suspending him when he was on the verge of retirement? A number of Cement Factories were closed down as a result thereof. You will have to draw a line some where. Whoever is guilty, the industrialist, the executive or the militant trade union, he should be punished. Why should the public suffer? It is the people who have to pay the price. If the price of cement increases, it is we who have to bear it whereas those who swindle money they go scot free. The Dalmia Industry has closed down in Bihar. Consequently, 30,000 workers have been rendered jobless. Today the owners of the industry publish big newspapers. They say that the Government ought to have done this and that. Nobody said a word for these workers. 30,000 workers were made to suffer. In this connection, I would like to repeat that we should dispassionately think as to what should be our policy about these sick industries. Why should we blame the Government time and again. The Government is doing on its own whatever is possible but at the same time it is our duty to extend Co-operation to the Government and create strong public opinion against these capitalists and boycott them socially. We should not allow them to live in peace, because, it is we who have to pay the price ultimately.

18.00 hrs.

The biggest Cement Factory of Asia was located at Sawai Madhopur. 50,000 workers worked in that factory, but for the last three years the factory is sick. The State Bank of India provided huge amounts of funds to the factory. Did the Government ever try to find out as to how much was given by the SBI to the factory and why this unit became sick? I would like that a realistic policy should be framed for these units and at least 10 to 20 people should be awarded severe punishment and it should be given utmost publicity so that it serves as a deterrent and nobody dares to turn any industry sick, in future.

[English]

SHRI B.B. RAMAIAH (Eluru): Mr. Deputy Speaker Sir, we have already heard a lot from the two previous speakers about our industrial sickness. As per the information available, by the end of 1983, about 80,000 units have been considered to be sick with an outstanding amount of about Rs. 3000 crores. In 1984, the number of sick units had gone upto 93,000 and the arrears had increased to Rs. 3600 crores. By 1985, the sick units numbered 1,19,000 with Rs. 4270 crores of arrears. In 1986, the number exceeded 1,30,000 with the arrears amounting to more than Rs. 4700 crores. At this rate, today, the amount of arrears must be more than Rs. 5000 crores. But this is not the only thing. The amount of total money blocked otherwise, should be more than Rs. 20,000 crores as explained by some of our friends.

Whatever had happened, it is now time for us to review the whole position and see how much we can minimise the sickness and improve/revive the sick units in the best way possible. Government have taken effective steps through the Reserve Bank of India and they formed what is called the Board of Industrial and Financial Reconstruction. This is supposed to be an organisation to go into the effects of the sickness on various industries and the reasons for the sickness and to devise ways as to how these industries should be reorganised.

One of the basic things needed to remedy the situation is to have effective technical expertise. More and more technical expertise is important to see, study and understand the problems so as to tackle them effectively. There are two or three ways of doing it. The most important thing is to bring in improved technology, efficient management and modern methods of approach to ensure revival and better organisation of the sick units.

I feel that sickness is not limited to one particular sector. As we could see, small scale, medium scale and large scale industries are affected by sickness. Diverse industries like textiles, paper, plastics, and so on experience sickness. Basically, we should try to understand as to how sickness occurs. As mentioned earlier, sickness may occur mainly due to management inefficiency or lack of technological requirements. Therefore, a constant review on modernisation aspect is very important. Today, the present day technologies are changing so fast and many technological improvements occur within a short span of time. Unless people are alert, they will not be able to catch up with the latest technological improvements and if they do not catch up, they are bound to get into this sort of problems. But this modernisation process requires proper resources. The present system of taxation probably comes in the way of the concerned units to raise the required resources for modernisation. The amount available to them due to depreciation, etc. may not be sufficient for them to update their equipment and modernise their units. This matter has to be considered again in the Ministry of Industry and the Ministry of Finance, along with all the other related aspects.

As Shri Amal Datta put it, one of the main reasons is the delay in sanctioning the schemes. Delay leads to cost escalation. With regard to issuing a letter of intent or an industrial licence, whatever exercise that is done in the Department of Industry is again needlessly repeated in the financial institutions also. This unnecessarily causes a lot of delay and these delays in turn lead to cost escalation. In the last Budget also, the duty on capital goods has gone up by about 85 per cent. Due to this heavy duty, the capital goods industry is still not in a position to compete with other industries in other parts of the world. We must have a very effective monitoring system. We need protection for those items which can be made in India.

When you permit somebody to import goods from outside, you have to scrutinise thoroughly. For those items, there is absolutely no question of competition. You have no protection for those Indian industries. You are unnecessarily increasing the burden on the new industries which are coming up in this country. The goods manufactured here will be very expensive and the consumers will have to pay through their nose or they have ultimately to face the crisis in marketing those goods.

Regarding the types of problems which we are facing, I want to mention two things.

Firstly even the banks that are financing the industries are not having enough expertise to monitor these industries. It is not only the duty of the banks to look into the interest rates, lending and borrowing. They should also have technological expertise when they advance moneys to the industries. There should be constant monitoring in regard to all these things. The nominated people in the Boards should monitor every now and then and tell what is happening in that industry whether that industry has become absolutely sick. If they could take proper interest and proper action at each and every stage probably they could be able to solve the problems. I would also mention here that there are problems, like packing, monitoring, which are being experienced by some industries. Proper monitoring is not being done, packing is not properly done and such things.

SHRI J. VENGAL RAO : Mr. Ramaiah is a very experienced man. he knows about the management and also labour.

SHRI B.B.RAMAIAH: I am only telling what type of problems we are likely to face and to that extent how we should try to minimise the sickness. It has happened not only in our country but also in many other countries. So we should try to minimise the

sickness and bring the industries into operation. That is why, I said this expertise is required. If something is not upto the mark, the one who has got the capability, he should be able to make these things and revive them as early as possible, instead of delaying it. The delay is always there. That is why I am saying the financial institutions and the banks should also take sufficient interest in these things. This is there in other countries. They take sufficient interest.

SHRI J.VENGAL RAO: If he thinks that if the Industry Minister resigns his problems will be solved, then I have no objection. You tell me.

SHRI B.B.RAMAIAH; No, no. I said it would be at any level. It is not only pertaining to the Industry Minister. The policy should be that at every level there should be a monitoring. They should help in such a manner that the industry concerned should not suffer. It should not fall sick.

Regarding the system of industrial organisation, I would say that we should have large scale and small scale industries. We all appreciate that. If you do not have this, the cost of production will go up. Take for example steel industry. You cannot put up a small industry for steel. It should be a large scale industry. Take another example, fertilizers. If you set up an Ammonia plant in the small scale sector, it would be very expensive. The cost of production will be more and the finished product will be expensive. We should identify the small scale industries and encourage them to develop. The steel industry not only produces nails, nuts, bolts but also so many other things, but they are produced on a small scale. So we should provide raw material to these industries at a cheaper price so that these small scale industries can survive and can able to thrive in this country. By doing this, it can provide goods at a reasonable price to the customers.

[Sh. B.B. Ramaiah]

I would also like to suggest another way of improving these industries. A large scale support should be given to the small scale industries like the automobile industry or sewing machine industry. There are thousands of other parts which are being manufactured by the small scale industries. We should be able to support the technology required for the modernisation along with the growth of those industries. Otherwise, these industries may not have marketing facilities or the technology development which they require. They will require these things from the large scale industries. That is why I am saying there should be a coordination between these two industries. If there is a coordination then only they can survive and can also reduce the sickness, to a substantial extent. So whatever maximum we can do we should do. These are the two items which require more facilities- say for example excise. If any industry which has become idle, will put the Government or the country to a loss. It may also create unemployment problem. Even if a small product is produced by an industry, first you charge excise duty, then sales tax and lastly the Income Tax. But in these matters, Government should take a greater interest, in the larger interests of the country. Industrial production is of great help. What we need is employment potential, as also market availability, reasonable price structure and the growth of the industry. Along with these, a uniform system of organization should be developed by the Finance, Industry and Labour Ministries wherever they are required, to the extent possible.

There are some more points, but I do not like to go very deeply into them. Now about the policies of the Government. We have discussed it today, and also a few days back- viz. the paper industry is suffering. We knew well that we were going to face shortage of the raw material required here. Maybe the departments of Agriculture, Forests, and

other departments have to see that we achieve the desired growth.

The same is the position in the plastic industry. We know our projected requirements. Still we are unable to plant to the extent required. Unless we do it, the small scale industries will suffer. Capital worth thousands of crores, invested by banks, is unable to produce anything. It is locked up because of shortage of raw materials. Probably, various things have to be done.

SHRI J.VENGAL RAO: What about power shortage?

SHRI B.B.RAMAIAH: There is power shortage also, which I should mention. One more point is about generators which are not manufactured of the level required in our country. So, such generators should liberally be allowed to be imported at less or rate of duty. You should allow the production to an extent greater than the existing capacity of the industry. You should reduce the rate of duty, so that more power can be generated, and the industries can produce more goods, and sickness reduced to the maximum extent possible.

There is one unit to which I would like to refer. That unit is near our area in East Godavari, viz. National Tobacco, which has been closed down. Thousands of people have become unemployed. I hope the Minister will take some interest and do something.

SHRI J.VENGAL RAO: National Tobacco is not under our Ministry ; it is with the Minister of Commerce.

SHRI B.B.RAMAIAH; Whichever Ministry is concerned I would like Government to take steps: it may be the Ministry of Commerce or Industry or Finance, I only wanted to mention some of the things happening so that you can take steps to meet the requirements of the people.

SHRI Y.S. MAHAJAN (Jalgaon): Sir I am glad to have this opportunity of participating in this important debate on sickness in industry.

The number of big units which were sick in December 1984 was 491; in December 1985 the number was 637 and in June 1986, it was 689. This means that the incidence of sickness has been increasing over the last 3 or 4 years.

(Interruptions)

The number of medium units which were sick in June 1986 was 1213 and such units in the small scale sector were 1,28,687. If we consider this in terms of bank credit, i.e. the amount of capital locked up in these different types of industries, we find that the total amount of bank advances outstanding against sick units increased from Rs. 3638 crores in 1984 to Rs. 4665 crores in June 1986. So, from that point of view also, i.e. of bank credit, sickness has been on the increase.

As regards small scale industries, the number of units sick were 1,28,687 in June 1986, out of a total of 1,30,606. So, whichever sector you look at - small-scale, medium or large sector - the number of units sick has been increasing over 3 or 4 years.

Last time when there was a discussion on this subject, the Minister-in-charge said that in respect of the number of small-scale units with borrowed accounts in the bank, the percentage of sick units of this kind remained more or less the same. It is not quite correct. The percentage of small scale industries which were sick, of this variety, was 6.3 in 1984; and in 1986 it was 7.3. So, there also, the percentage has been increasing. This is a matter for serious consideration because in India 70 per cent of population depends on agriculture, and the burden on land has been increasing over the

years because of the increasing population. Because of increased unemployment, we have to find outlets for millions of men and women in the industrial field. There is no limit to the development of industry. It can be increased infinitely whereas on the land there are definite limitations, on the number of people we can employ for agriculture. Therefore, it is the only way we can provide means of livelihood to the millions of people in our country. But unfortunately, as industrialisation has gone on in this country during the last three to four years, for instance, the rate of growth has been 8.3 per cent. It is not unsatisfactory, but it could have been much higher if we had paid more attention to the incipient sickness of industries in different fields. The Government has been aware of this fact, of this ailment, and the Reserve Bank has also been considering this subject. They had an inquiry committee some years ago, and it reported that the factors which are responsible for sickness were first, they said, wrong management practices. They said 51 per cent of the sickness was due to this factor. That is, the major factor was wrong management. Secondly marketing problems; third was locational problems, fourthly faulty products and fifth was the lack of capital. May I say that all these can be summarised into one head, that is, bad management, may I say, management which believes in cheating the shareholders and the public?

I have in my own district the instance of a textile mills, and Dr. Datta Samant knows about it. The textile mill which was taken over by the management, from the earlier management when the total debt of the company was Rs. 80 lakhs. The new management was very shrewd. They increased the expenditure more than it was proper, and the increased debt was so much that the unit became sick. It remains sick and I have been pressing upon the Government to inquire into the viability of the mill and take it over, if necessary. The Government of Maharash-

[Sh. Y.S. Mahajan]

tra has passed a resolution saying that they are prepared to nationalise the mill. They had enquired into the assets, to see if it was viable. Why is it that it is not being taken over? Why is permission not being given to the Maharashtra Government to nationalise the mill. Two thousand five hundred workers have been rendered jobless, and for three years they have been suffering from unemployment. It is a serious problem which is likely to create a law and order problem in my district of Jalgaon, which I represent. I hope the hon. Minister of Industries will look into this matter and see that this mill is taken over. After all, the Maharashtra Government is prepared to take the responsibility for it and why should the Central Government come in the way?

(Interruptions)

SHRI J. VENGAL RAO: Textile mills are not under the Industries Department.

(Interruptions)

MR. DEPUTY-SPEAKER: He means, industrial units.

SHRI J. VENGAL RAO: Dr. Datta Samant knows very well about it.

SHRI THAMPAN THOMAS (Mavelikara): This is an important issue which has to be discussed. If it is not possible for you the other Minister should also be here, to answer us.

(Interruptions)

DR. DATTA SAMANT (Bombay South Central): The Textile Minister should also be here.

(Interruptions)

SHRI AMAL DATTA (Diamond Har-

bour): Since the Minister is concerned with sick industries, and also because the financial institutions are involved, the Finance Minister should also be here. We cannot have the discussion of this nature without the Finance Minister.

SHRI J. VENGAL RAO: I am not quarrelling with Mr. Amal Datta. Just only for information, I am informing.

(Interruptions)

SHRI THAMPAN THOMAS: You have a collective responsibility in the Cabinet. You should reply

(Interruptions)

DR. DATTA SAMANT: This discussion is about sickness in industrial units.

SHRI Y.S. MAHAJAN: I am talking about sickness in industrial units, not necessarily of industries which may be under the Industries Department. I know that the hon. Minister for Industries is very enthusiastic and willing to help sick units or industries in general.

I will give you another instance where the Finance Ministry has come in the way. There is one most sophisticated industry in the whole of Asia. It is located in my constituency. It is suffering from low capacity utilisation and losses because it is not able to get raw materials. Some hon. Members from the other side has pointed out this factor also. As the raw materials are available only from outside, I have been pressing the Government to see that enough imports are allowed. Sir, it is quite clear from the record that if we allow imports of raw materials, then it is cheaper than allowing the finished products. Even then, every time we ask, they give six months or one year's supplies and the factory works at twenty per cent capacity and suffer losses. I think Sir all the Ministries

concerned will have to take a very sympathetic view of all these sick units and see that they are revived. In case an industry is viable, but sick, then there should be a rehabilitation package according to the latest law. If it is not viable, my suggestion is that the industry should be liquidated immediately so that the new management takes the whole capital complex at a low price and is able to run it in a profitable manner and the workers also get the jobs. If the industry is sick, it remains sick for years and by the time something happens to it, the workers are ruined completely and they have to run to different places or to suffer permanently from unemployment. If the liquidation proceedings are expedited or quickened, then the whole capital could be written off. In Economics, the proverb is 'bygones are bygones'. There is no use in keeping the whole capital structure intact on paper.

I would like to make an other point. Our small scale industry, medium and large industries have grown up on the strength of public capital. Our industrialists have very little stake in the industries which they run. There were a number of studies which have pointed out that big industries have a stake whether it is 1 1/2 per cent, 2 per cent or 3 per cent in the industry in which they run. That is, they run the industry with the capital collected from the people or mostly from the Government. Take the case of small scale industries, for which you have all sympathy. You will find they are all mostly small scale capitalists. The man who invest one lakh, borrows Rs. nine lakhs or fifteen lakhs from the Government institutions, spends it improperly, makes the industry sick and then goes to another industry. This is what is happening. I would therefore request the hon. Minister to consider how far sickness is due to the fact that industrialists have very little stake in the industries they run, whether it is small scale or medium or large scale.

Then Sir, finally I would like to say that

the Government has been seriously considering different steps to deal with this problem. We have a Reconstruction Corporation. We have passed a Bill last year - Industries Special Provision Act, under which Boards are to be established, which will study the matter and prepare rehabilitation packages. They took one and a half years to establish the Central Board. Everybody knows from experience that Government's ways are so dilatory that the workers are thrown out of employment, the capitalist makes money and nothing happens. People shout, but nothing happens. So, my point is that the Government give up the dilatory method, be quick about it either in liquidating the firm or revamping it, let the monitoring system be as efficient as possible to deal with this problem. Otherwise, it would continue.

Sir, there is one misunderstanding. The Minister in charge, who spoke last time, made a very surprising statement that sickness follows industrialisation. Sickness need not necessarily be a concomitant of industrialisation. Sickness is the result of our inefficiency, our lack of productivity, our bad planning and to say that all these factors increase with industrialisation is a wrong proposition. We should disabuse our mind of such wrong ideas. If the Government also does it, I am sure it will be rendering a great service.

SHRI THAMPAN THOMAS (Mavelikara): Today's papers carried the news that 1,47,740 industries are sick in this country, according to the Government. The last year's figure was 1,19,000. When this Government came to power in 1985 the figure was 93,000. So at this speed, who can compete with you? Why is this happening? Is there any thought given to these things?

I do remember that along with Mr. Indrajit Gupta, we went to meet the hon. Prime Minister in 1985 when the Supreme Court was passing the judgment on article 311 and

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in that judgement there was an observation that the workers are taking this country to ransom. Therefore, there should be power with the authorities to dismiss the people without hearing. All the Central Trade Unions went in a delegation to meet the Prime Minister. He told us that no worker in this country is working. That was the answer given by him. He said that Tata is working, the companies are working but the workers are not working. Today I just put this question across the tables. What is the real reason of sickness of industries in this country? The management experts who have studied this problem, have said that the total contribution of the workers in making industries sick is 2 per cent whereas because of the management it is 56 per cent and the rest is because of the governmental policy. There are statements made by people who have studied this problem. It is said that rank dishonesty, inefficiency and negligence are the major causes of widespread industrial sickness prevailing in the country at present. This is said by Mr. N. Waghul, Chairman and Managing Director of the Industrial Credit and Investment Corporation of India Ltd. These are not the words of any trade union leader. There is another observation that industrial sickness is happening because of family feuds. I am not going into details. The position has been analysed and it is seen that a total sum of Rs. 4665 crores of the Government has been blocked. A sum of Rs. 3000 and odd crores is spent by a few industrial houses of this country. Though the number of small scale industries may be more in terms of sickness, money locked there is not much. The reality is that big houses, whom we call industrialists in this country, have taken the money from the Reserve Bank and swindled it in their own way. Look at Modinagar. How many people are now without employment? About 30,000 textile workers are thrown in the streets there and nothing is taking place. Whereas Modi is running a luxury hotel. He is selling the

property on a straight deal. He is making money out of the money which he took from the Reserve Bank and purchased this property sometime ago. In the same way in Dalmia Nagar, for the last six years, 30,000 workers are on the streets. There are reports that workers and their families are on the verge of starvation and there is nothing for them to exist on. But till now, nothing has happened. Dalmia Nagar remains closed. So, like that, throughout the country how many big industrial houses are indulged in these things and are making the industry sick and why does the Government not step in to overcome the situation? Has the Government been earnest in any manner in this regard? The previous speaker has pointed out that after passing the law, only now some agency has been appointed for the purpose of making a study. Out of these 1,40,000 units, what they have taken up for case study is 350 units. There too they have no records available with them how to make them viable...

(Interruptions)

SHRI J. VENGAL RAO: The small-scale industries will not come under BFIR.

SHRI THAMPAN THOMAS: This is a study made by the BFIR. What they have said is that only a few cases are referred to them and that they are not having sufficient records with them to make any effective recommendations....

(Interruptions)

SHRI J. VENGAL RAO: More than 100 cases were referred and they were examined.

SHRI THAMPAN THOMAS: Out of 1,40,000?

SHRI J. VENGAL RAO: No, out of 689.

SHRI THAMPAN THOMAS: And nothing has come out so far. What I am submitting is that there is nothing effectively done in these things to overcome the situation. Looking at the overall position, my submission is that the Government should change the policy. Now, how to change the policy? You look at how they generate their money. This is public money, people's money, taxpayers' money which they take on loan and they trade with that. They invest the money for other purposes, make the unit sick and then run away. Therefore, there should be a law to take over the industry immediately. That is my submission....

(Interruptions)

SHRI J. VENGAL RAO: My submission to you, Sir, is that ours is a democratic country. This is not China or Russia. In China, if a unit incurs loss for three years, they close that unit. But we cannot do that.

SHRI THAMPAN THOMAS: Sir, that is a wrong impression.

SHRI INDRAJIT GUPTA (Basirhat): It is the democratic right of the workers to be unemployed and to starve. But that right does not exist in those countries. Right to be unemployed and to starve is a democratic right.

SHRI J. VENGAL RAO: What I am saying is that we have got all freedoms here.

SHRI THAMPAN THOMAS: Sir, democracy and this thing have no correlation. The hon. Minister is mistaken. This is the money of the public. It is our money, not the industrialists' money. It is the people's money which they take from the banks.... *(Interruptions)*. There is no provision in your law to make it a condition that when they take the money and if they are not running the industry, you will take it over... *(Interruptions)*. You have never thought in those

terms, that is the problem. You think that it is their own money, it is their own capital, it is their own property. Once I had the occasion when the former Finance Minister called the trade union leaders of this country for a discussion. One of the veteran trade union leaders had asked the Government to have an assessment of how many industrialists have invested their own money in an industry. It is the public money which they are investing. That public money should be publicly accounted for to the Government. If they are not doing that, you have to take over their factories....

(Interruptions)

SHRI J. VENGAL RAO: On this point I entirely agree with the hon. Member. There is no difference of opinion between me and him.

SHRI THAMPAN THOMAS: Good. Then what is to be done is they should have an effective law to take over the factory, see that it is run and the workers are given the job, and the things are utilised for this country.

Sir, you have to congratulate the workers in this country. In these conditions also they have made industrial production eleven per cent in excess. The sickness is only because of two per cent. Those who are administering the country were telling that the workers are a scapegoat and because of them the country is not progressing. Really there is no one to see the real contribution of the workers. Even in the difficult circumstances, getting a wage less than is necessary for living, and living below the poverty line, those people have worked for this country. They have never had a respect for them. They have respect for the industrialists who are swindling the country's money. They have always supported them. And now they say that they have no means to take over these units. Therefore, if they are earnest to

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overcome this position, the only method is to seek a stringent rod and send these people to the jail if they are violating the law and swindling the money of the public. Take over the factory, run it. I say what I have been told by the experts on this subject. They say, employees' ownership is the remedy for this in India. It is not said by any trade union leader, it is said by the management experts. They say, in America 11 million works were generated by the cooperative societies.

SHRI J. VENGAL RAO: If you want to manage any industry, I will certainly hand it over to you.

(Interruptions)

SHRI THAMPAN THOMAS: You have to, Sir. In America — it is not a Communist country — the workers' cooperative society in the year 1987 has generated 11000 million jobs. You can experiment it. So, with the wrong notion you are approaching saying that it is somebody else's property and you have no right to enter it and nothing is happening. And this is a Government which is not working. Therefore, it is happening like that. So, Sir, it is only because of your wrong policies that is happening and also because of wrong understanding of the problem and if you are strong enough to take measures for that, then this sickness will not happen. That is what I want to say.

SHRI J. VENGAL RAO: Mr. Thomas, we want the cooperation of the management. Unless we have their cooperation, we cannot do anything.

MR. DEPUTY-SPEAKER: Kumari Mamata Banerjee, Please be brief.

KUMARI MAMATA BANERJEE (Jadavpur): Sir, we want more time for this.

MR. DEPUTY-SPEAKER: The Minis-

ter wants to reply today.

KUMARI MAMATA BANERJEE: The Minister can reply tomorrow, Sir, not today. *(Interruptions)*. Yes, Sir, he will reply tomorrow, not today.

(Interruptions)

MR. DEPUTY-SPEAKER: Mr. Minister, they want to finish the debate today. Tomorrow you will reply.

Now, Kumari Mamata Banerjee may speak.

[*Translation*]

KUMARI MAMATA BANERJEE (Jadavpur): Mr. Deputy Speaker, Sir, first of all I would like to congratulate the hon. Minister of Parliamentary Affairs for holding a discussion on a very important matter like this. We, the Members of Parliament come from different parts of the country. All of us irrespective of our party affiliations are seized of this matter. As a matter of fact the Government launched a number of programmes with a view to reviving the sick industries and modernising them. The Prevention of Sick Industries Act was passed earlier. Then the Board for Industrial Reconstruction (B.F.I.R.) was set up in 1985. B.F.I.R. has started functioning since May, 1987 as a result of follow up action.

It is a matter of great concern for all of us that the number of sick industries is fast increasing in the country. This is not my report. The hon. Minister has himself admitted this thing in reply to a question on 16.11.87 in the Rajya Sabha that the number of sick industries in the country in 1983 was 18,110.

(Interruptions)

[English]

MR. DEPUTY-SPEAKER: Don't mention, Madam, about Rajya Sabha or anything. You generally say it because you cannot quote the proceedings of Rajya Sabha.

SHRI AMAL DATTA: I don't mind her quoting, but you should have allowed Thampyan Thomas to quote.

KUMARI MAMATA BANERJEE: Okay. If you are afraid, I will not quote. Okay.

SHRI AMAL DATTA: I am only drawing the attention of the Chair.

[Translation]

KUMARI MAMATA BANERJEE: Since all of us are concerned about this issue, I quoted these figures in the House. If you don't want I shall not quote. I wanted to say that there is no difference between the Lok Sabha and Rajya Sabha.

Some time back a study about the sick industries was conducted in our country. The study revealed that there are about one lakh sick industries in the country in which the Government has invested about Rs. 20,000 crores. There are no two opinions that Maharashtra tops the list of States having sick industries and West Bengal occupies second place in this regard. But this is a very important issue. I heard Shri Amal Datta very attentively. He did not say much about reviving the sick industries or providing special package to them. It was more of a political speech. I do not want to talk political things here. But while opposing him, I must say that....

(Interruptions)

[English]

Don't disturb me. I have not disturbed you. You are a talkative man. You keep quiet. (Interruptions). Now please allow me to speak.

SHRI AMAL DATTA: How does she talk like that? **

KUMARI MAMATA BANERJEE: I raise an objection, Sir. It should be expunged. What he is talking should be expunged.

(Interruptions)

MR. DEPUTY-SPEAKER: Whatever they say will not go on record. Both of you are accusing each other. It will not go on record.

(Interruptions)*

MR. DEPUTY-SPEAKER: Don't waste your time.

KUMARI MAMATA BANERJEE: Where am I wasting my time? They are disturbing me. I want protection from you.

MR. DEPUTY-SPEAKER: I am protecting you. But you address the Chair.

[Translation]

KUMARI MAMATA BANERJEE: Sir, I would request you to pay a little attention towards Bengal Potteries about which I am going to say a few words. The Government pays Rs. 6 crores towards wages. If the

** Expunged as ordered by the Chair.

* Not recorded.

[Kumari Mamta Banerjee]

Government can release Rs. 12 crores, the Bengal Potteries can be revived. Bengal Potteries is the biggest issue in my State. Shri Amal Datta said something about the Prime Minister, but we do not know whether is correct or not.

(Interruptions)

[English]

SHRI AMAL DATTA: You cannot understand what I said.

KUMARI MAMATA BANERJEE: I know, what you have said.

MR. DEPUTY-SPEAKER: Let her speak. Why are you interrupting?

(Interruptions)

[Translation]

KUMARI MAMATA BANERJEE: Shri Amal Datta said that the Prime Minister asked Shri Birla to open an industry in Amethi and that is why Bengal Potteries reached such a state of affairs. We do not know whether he said it or not but it is true that Kolay Biscuit Company has been closed. Having closed Kolay Biscuit Company**.... Even a big Biscuit company was established.....

(Interruptions).....

[English]

SHRI AMAL DATTA: What is this she is talking?

SHRI ANIL BASU (Arambagh): Sir, what is she talking?

*(Interruptions)**

[Translation]

SHRIGIRDHARILAL VYAS: Whatever Shri Amal Datta has said while speaking under Rule 193 about the Prime Minister should be expunged....

(Interruptions)

[English]

MR. DEPUTY-SPEAKER: Why are you telling like that? Why are you doing unnecessary thing? Don't bring it here. Don't bring personal thing here.

SHRI ANIL BASU: It should not go on record.

MR. DEPUTY-SPEAKER: Don't bring all these things.

(Interruptions)

SHRI AMAL DATTA: We have to suffer from this kind of speech. Whatever she said should be expunged.

KUMARI MAMATA BANERJEE: No. It should not be expunged.

[Translation]

Sir, I want that Bengal Potteries should be revived. According to the study recently conducted neither the workers nor the management are responsible for it. According to a survey conducted by the Reserve Bank of India only 2% workers and 52% mismanagement is responsible for making the industry sick.

I wanted to say something about Bengal Potteries but these people interrupted. The

** Expunged as ordered by the Chair.

* Not recorded.

Bengal Potteries, Shri Durga Cotton Mills, now denotified, Hindustan Fertilizers Corporation in Haldia, ABL and Steel & Allied Products Ltd. and certain other industries are there in Bengal. Their are certain financial institutions also which are not properly functioning. I would like to suggest that the Chairmen of financial institutions, who are not working well, should be asked to improve. Entrepreneurs, who want to set up projects there, are not being given permission. Board for Industrial Reconstruction should therefore be strengthened. The sick industries in Bengal can be revived in case some special package is granted for the purpose.

Sir, thousands workers in Bengal are on roads. West Bengal Government has set up only a board and they say.....

(Interruptions)

[*English*]

Central Government is responsible to open all these industries.

[*Translation*]

I want to speak about that, we people...

(Interruptions)

[*English*]

You say something about your State. I know that I am speaking. I know what I have to speak

(Interruptions)

[*Translation*]

Oxygen is needed for the State. If an elected Government does not work, you can

take up the matter here.

(Interruptions)

****What is our State Government doing? The companies nationalised by the Centre, State Government have.....**** Just one month back LMI in Hoogly** Kolay & Biscuit Company....

[*English*]

MR. DEPUTY-SPEAKER: I will go through the proceedings. Madam, you cannot make reflection on the State Government.

KUMARI MAMATA BANERJEE: Of course, it is related to my State.

MR. DEPUTY-SPEAKER: There is Assembly there. Let the Member speak there. Why are you saying? The State Government representatives there, represent their State. Don't reflect on the State Government.

KUMARI MAMATA BANERJEE: What is your judgement?*

MR. DEPUTY-SPEAKER: Don't make reflection on the State Government, generally I am telling you. Even Maharashtra, even Andhra Pradesh, even Madhya Pradesh, do not reflect on this. I am telling.

KUMARI MAMATA BANERJEE: I am saying something about State Government policy.

[*Translation*]

KUMARI MAMATA BANERJEE: No State Government can sell the sectors which have been nationalised, to the private entrepreneurs in this way. I, therefore, want to say

* Expanded as ordered by the Chair.

[Kumari Mamata Banerjee]

that the industries which have been taken over by the State Government.. LMI, Kolay Biscuit.... have been...Shri Durga Cotton Mills.

(*Interruptions*)

[*English*]

KUMARI MAMATA BANERJEE: That is why, I would like to raise it.

MR. DEPUTY-SPEAKER: I will examine and expunge whatever allegation is made against the Chief Minister. I would not allow it. If it is allegation, I would not allow it.

KUMARI MAMATA BANERJEE: It is not an allegation. I am saying something about Government policy.

[*Translation*]

The Govt. should look into the problems of sick industries, not only in West Bengal but in all the States. The management is not punished in spite of the fact that they indulge in corruption. The workers have to suffer a lot when the industries are closed. The Government should look into it. They should be given rehabilitation allowance after the industries are closed down and they should be absorbed as and when a new industry is set up by the Government, the Government is not interested in the policy of taking over, but it should certainly think of modernising these sick industries. If you do not modernise them in the beginning then.....

[*English*]

MR. DEPUTY SPEAKER: Wind up. You have taken 15 minutes.

KUMARI MAMATA BANERJEE: You have disturbed me for 10 minutes. I am sorry to say this. You did not allow me to speak.

(*Interruptions*) It is for record I want to quote. I am very much clear. Not like you.

[*Translation*]

All of us have patiently listened to Shri Amal Datta. It is really a matter of shame that he has not mentioned anything either about West Bengal or about the rehabilitation of workers there. That is why, I have been forced to say something on the subject. Instructions should be issued to West Bengal Government to accept the formula followed in Gujarat. Besides the State Government should also be instructed to follow the present industrial policy of the Central Government. This would enable in reviving all the sick industries.

When Shri N.D. Tiwari, was the Minister of Industry, he had said in a Consultative Committee meeting that a meeting with West Bengal MPs would be convened to discuss the measures for reviving the sick industries in the State. But, the meeting was never convened. I, therefore, request you to call such a meeting at the earliest.

Now, I want to say a few words about Bengal Potteries, the Government should pay special attention to it. If there is further delay in the matter the Bengal Potteries will close down. 12 crores should therefore be sanctioned for Bengal Potteries so that the workers are benefited.

With these words, I conclude.

[*English*]

SHRI N.V.N. SOMU (Madras North): Mr. Deputy-Speaker, Sir, I thank you very much for having given me this opportunity. This Government should not only find out the reasons for the closure of units but also avoid inordinate delays and it should find out the reasons as quickly as possible.

Sir, most of the units have been closed for years together. I want to mention specially about one unit. In Madras North, there is an industrial area called Ambattur. There is one unit called the India Forge. This Company has been closed for more than 3 years. Nearly, 20 workers died of starvation so far...

SHRI INDRAJIT GUPTA: Where? Is it in Coimbatore?

SHRI N.V.N. SOMU: It is in Ambattur. The Company's name is India Forge. For the past three-and-a-half years, it remains closed. Nearly 20 workers have so far died of starvation. I wrote to the hon. Minister Shri Arunachalam. He was kind enough to reply me twice that appropriate action would be taken. But the unit is not yet open. The Management is hiding behind the loopholes of law. Not only that. It is said that the management is, indirectly continuing the production elsewhere. I wrote to Late Shri Anjaiah, the present Labour Minister Shri Sangma and also to the Government of Tamilnadu but no action is coming forth yet. I request the Government to intervene more effectively. If such a big Government is not able to bring down the management, who else can do it? Workers are waiting so patiently for years together. It is high time that the Unit is opened immediately. At least let the starving workers who are alive, be saved by the immediate and good gesture of the Government.

As far as the Government Units are concerned, wage agreements are forced upon them. If the Government wants to stick to 10 per cent, ceiling, the workers are compelled to accept it. The Public Sector Managements say that it is the decision of the Cabinet that only 10 per cent increase in the agreement is made possible; you must accept it. Due to this measure, workers are frustrated very much. Even if they accept it,

they accept with much partial satisfaction and with much agony only. Approval is not coming from the Government even then. In Madras, there is another Company called the Richardson & Cruddas which has signed a memorandum of understanding two years ago. Only, there is 10 per cent increase. Even after the workers agreed for a cut in 1.75 per cent, it is still pending. I would, therefore, request the hon. Minister to intervene and see that the memorandum of understanding sees the light of the day.

19 hrs.

Regarding Stationery Depots, I would like to say a few words. We are talking about the Government units and industrial units. The Stationery Depots are to be closed from 31st December. Nearly, 1000 employees are working in such depots in Delhi, Bombay, Calcutta and Madras. These Depots are supplying stationery to the Central Government Departments. Now, it seems that the Central Government proposes to close all these depots and the departments themselves are asked to purchase the stationery. I do not see any good reason in this measure. By this measure, nearly 1000 employees will be affected. Even if they get job opportunities, they will be absorbed throughout India wherever job opportunities arise. This will definitely put them to great hardship and trouble and they will be affected very badly. Instead of opening new units, the Government is closing the existing depots and other units. Those people who are working in the stationery depots are now left in the lurch by the decision of the Government. Today is 8th December. Still 23 days are more. I request both the Ministers to use their good offices with the concerned Minister not to close the depots and thereby save the thousand workers who are now very much worried about their future and establishment. I request the hon. Minister of Industry to intervene effectively and redress

their grievances.

19.01 hrs.

MR. DEPUTY-SPEAKER: The House stands adjourned to reassemble tomorrow at 11.00 a.m.

The Lok Sabha then adjourned till Eleven of the Clock on Wednesday, December 9, 1987/Agrahayana 18, 1909 (Saka).
