

SHRI P. K. DEO : From the Minister's reply we come to know that various political parties have been invited to discuss the polling arrangements with the Chief Electoral Officer in the State. But the Swatantra Party has not been invited to attend that conference. The Swatantra Party is the main Opposition in this House and it has got the largest number of MLAs in the country. The Swatantra Party is contesting the elections in Haryana. Is it not proper that the Swatantra Party is also invited and is allotted the party symbol for the election?

SHRI GOVINDA MENON : It is true that the Swatantra Party is the main Opposition group in the Lok Sabha, but the election proposed is not to this House but to the Haryana Legislative Assembly, where I do not think there are many Swatantra Party members.

श्री सीताराम केसरी : अध्यक्ष महोदय, जैसा कि विगत चुनाव के अवसर पर साम्प्रदायिक और जातीय भावना उभार कर चुनाव लड़े गये थे, क्या आगे आनेवाले हरियाना के मध्यावधि चुनाव में इस तरह की साम्प्रदायिक भावना उभारनेवालों पर कोई प्रतिबन्ध लगाने की योजना है ?

SHRI GOVINDA MENON : Everything sanctioned by the Election Law to prevent these things will be resorted to.

SHORT NOTICE QUESTION

M/s. COOPER ALLEN COMPANY LTD.,
KANPUR

+

SNQ 2. SHRIMATI SUCHETA
KRIPALANI :

SHRI INDRAJIT GUPTA :

SHRI D. C. SHARMA :

SHRI S. M. BANERJEE :

SHRI Y. S. KUSHWAH :

Will the Minister of INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS be pleased to state :

(a) whether it is a fact that M/s. Cooper Allen Company Ltd., Kanpur,

one of the units of the British India Corporation is to face closure in February, 1968;

(b) whether Government have got 39 per cent share in the British India Corporation;

(c) if so, whether Government have taken a final decision to take over this unit; and

(d) if not, the reasons therefor ?

THE MINISTER OF INDUSTRIAL DEVELOPMENT AND COMPANY AFFAIRS (SHRI F. A. AHMED) :

(a) No, Sir.

(b) The President of India hold 22.21 per cent shares in the B.I.C. Life Insurance hold 16.67 per cent shares in the company and Unit Trust of India holds .62 per cent shares.

(c) No, Sir.

(d) Several proposals to keep the Unit in running condition are under consideration. The management of the company have also been advised to consider ways and means to keep the Unit in running condition.

SHRIMATI SUCHETA KRIPALANI : Is the Minister aware that as early as 2nd September, 1962, the then Prime Minister, Shri Jawaharlal Nehru, wrote to the then Industries Minister, Shri K. C. Reddy, urging him to take over the Cooper Allen Mills for very cogent reasons, that this mill produced very important defence equipments? If you will permit me, Sir, it is a very short letter and I will read it out. He wrote :

"I wrote to you sometime ago. . . ."

SHRI PILOO MODY : Is the Hon. Member quoting from *Blitz* ?

SHRIMATI SUCHETA KRIPALANI : Yes, *Blitz*. He wrote :

"I wrote to you sometime ago about the British India Corporation, Kanpur. I think it is important that the Corporation should not go into private hands. I under-

stand that Government owns a part of their shares and the LIC owns some shares. It would, therefore, be not difficult to gain control over the organisation and make it a public sector one. Our army people require large quantities of shoes and woollen textile materials... (Interruptions).

MR. SPEAKER : The Hon. Member is putting a supplementary question.

SHRIMATI SUCHETA KRIPALANI : I will read only the concluding part. He said this factory is producing military equipment, shoes and other equipments, for which specialised specifications are necessary, private factories do not like to keep to the special specifications. "I quote many of these things come from BIC and, therefore, it is important and desirable to control the BIC and gradually bring it under public sector." My question is this. The most important man of India, Pandit Jawaharlal Nehru, raised this question in 1962 and proposed that the BIC should be taken over for very cogent reasons. May I know what action was taken by the Government from that date to this date and why this decision has been delayed?

SHRI S. K. TAPURIAH : The Minister may first say whether the letter is authentic.

SHRI F. A. AHMED : First of all I would like to point out that the Short Notice Question is framed only with regard to Messrs. Cooper Allen and Company Limited and not with regard to the entire BIC.

SHRI S. M. BANERJEE : It is part of BIC.

MR. SPEAKER : Let him reply. The Hon. Member's name is there and he will get his chance.

SHRI F. A. AHMED : So far as the closure of this unit is concerned, that has not been allowed and we are considering various steps to be taken in

this connection. So far as the larger question is concerned, I would like to point out that the letter referred to by the hon. Member has already been placed by me on the Table of the House in reply to a question in the Rajya Sabha. If the hon. Member wants that the same letter should be placed on the Table here also, I am prepared to do it. I may also point out that various discussions went on and, after that, a decision was taken that it would not be possible at that time to take over the entire unit.

SHRIMATI SUCHETA KRIPALANI : May I know whether it is a fact that the government is contemplating the setting up of another footwear factory, in collaboration with USSR, at Rai Bareli, which does not happen to be a leather or hide market and that it was on that account that the government was indifferent to the rumours of closure of this factory till the workers raised a hue and cry? That project is going to cost Rs. 2 crores. By investing much less in the existing factory, which is one of the biggest units in Asia, it can be made into a good factory and with honest management it can yield a profit of Rs. 15 lakh per year. On the other hand, by the closure of this factory, which is one of the oldest factories, 3,000 people would be rendered jobless and most of these people happen to belong to minorities like Harijans and Muslims. May I know when the government will take a firm decision with regard to the taking over of this factory?

SHRI F. A. AHMED : So far as the closure of this unit is concerned, as I have already pointed out, we shall not allow it. We shall take whatever action is necessary to see that this unit is kept running. Unfortunately, the hon. Member was not present at the time when I held this discussion, where the representatives of the management and labour and a large number of Members of Parliament from both the Houses were present. There it was decided that Government should take necessary steps to see that this unit is kept running. The question of the

other unit, that does not come under my Ministry and that will be considered on the basis of merit and other considerations.

SHRI D. C. SHARMA : This problem has been with the government since 1962 and they have allowed six years to lapse before taking any firm decision on this problem. May I know if the government is in a position to tell the House what steps it has taken to place this on a firmer footing and what steps the government has suggested to the management so that there will be no unemployment, no closure and the factory will be in very smooth running order?

SHRI F. A. AHMED: So far as the steps taken by the government are concerned, we arranged a survey of the Cooper Allen units by a team of officers consisting of a senior accounts officer of the Department of Company Affairs and a senior officer of the DGTD. The result of the finding of the survey team attributed the poor performance of the unit to deterioration in the quality of leather produced, increase in the manufacturing cost, higher selling expenses, and the absence of an adequate number of orders for the manufacture of army goods. The Survey Team has particularly recommended that government should be requested to ensure a reasonable minimum order for army goods. They have also recommended the installation of a new equipment to manufacture 2,000 pairs of shoes per day. The equipments necessary for the renovation of the factory and reduction in inefficient and surplus staff, improving the working of the tanneries, reducing the cost of tanning, all these matters we have discussed and, in the light of this recommendation, we have taken necessary steps.

SHRI S. M. BANERJEE: From the reply it appears that there is going to be a shoe factory in Rae Bareli, in the constituency of the Prime Minister. I do not grudge that. I thought that shoes should remain in Kanpur rather than go to Rae Bareli. That would

have been better. But, anyhow there is going to be a factory by the STC for exporting shoes to the Soviet Union with the collaboration of the Soviets whereas Rae Bareli is not a leather area at all. Raw hide will go from Kanpur to Rae Bareli.

SHRI B. N. KUREEL : He is wrong. There is so much leather in Rae Bareli.

SHRI S. M. BANERJEE: Leather is there everywhere.

SHRI PILOO MODY: There is a lot of leather in Parliament also.

SHRI S. M. BANERJEE: There is no shortage of leather; leather is everywhere. Let animals die and there will be leather.

I was saying, Sir, that Rae Bareli may be a good constituency but raw hide is not available there. If at all a factory is to be set up there, raw hide will have to be taken from Kanpur or Agra or from the South, say, from Madras. I congratulate the hon. Minister for taking a firm decision that this unit would not be closed down, but since renovation of this plant is necessary and since there is mismanagement, I would like to know why Government should not take over administrative control of this unit and develop this for export purposes and for internal consumption. That is my pertinent question.

SHRI F. A. AHMED: I have already pointed out that so far as the closure of this unit is concerned, Government have made up their mind that this unit will not be allowed to close down. So far as the setting up of a new unit under STC or under any other ministry is concerned, the matter has to be considered on various considerations—viability, the economics and all those things will have to be taken into consideration—and it is not possible for me to answer because that matter is not under my ministry.

SHRI S. M. BANERJEE: May I seek your guidance ?

MR. SPEAKER: He is trying to ask a second question.

SHRI S. M. BANERJEE: I will only repeat my original question. I only seek your guidance.

We thought that this Government was one. This particular question is in the larger interests of the economy. Today Shri Morarjibhai is going to present his Budget affecting the economy in many ways. Here, another unit is being set up in Rae Bareilly just to employ some people who can work as agents of the Prime Minister in the elections. I do not want to have a separate unit in Kanpur. This is the oldest unit in Kanpur and if Rs. 50 lakhs or Rs. 60 lakhs are spent, it can be a nice unit. Is it necessary in the larger interests of the country's economy and welfare that a shoe factory should be set up in Rae Bareilly rather than renovate this particular factory? Let the hon. Minister reply to that or let the Finance Minister reply.

MR. SPEAKER: He has answered your question.

श्री यशवन्त सिंह कुशवाह : क्या माननीय मन्त्री जी बतलाने की कृपा करेंगे कि इस कारखाने में सन् 1965-66 और 1967 में कितना-कितना घाटा हुआ है और 12 लाख रुपया सालाना का मैनेजमेंट स्टाफ होने के बाद भी यह घाटा क्यों होता है, क्या इसको जानने की कोशिश शासन ने की है ?

SHRI F. A. AHMED: In 1965 the loss was Rs. 54.47 lakhs and in 1966 the loss was Rs. 33.62 lakhs.

In 1967, up to 31st October, the loss was Rs. 31 lakhs approximately. I have already pointed out the reason why there was a loss. It was particularly because the order for military boots has gone down and therefore it has not been possible for the company to make a profit. In 1963 when there were sufficient orders for military boots, there was a profit of Rs. 4.29 lakhs.

SHRI K. N. PANDEY: 39.7 per cent of public funds are in the shape of shares in the BIC and these have to be looked after by the Central Government. In spite of this fact, there is an accumulation worth Rs. 1½ crores of stock and no control was exercised by the Government with the result that the factory has come at the verge of close causing unemployment problem to 3500 workers. I am thankful to the hon. Minister that he is taking interest to see that the factory runs. May I know what precautions will be taken in future so that such a condition does not arise?

SHRI F. A. AHMED: The control of the Government, under the Company Law is in respect of such irregularities which are committed by any company. So far as the day-to-day working of the company is concerned, it is entirely within the jurisdiction of the Board of Directors of the Company on which sufficient number of Directors from the Government are also appointed and it is for them to examine this matter and consider how the stock which is there should be sold and that the stock of the value of such a big amount of Rs. 1½ crores is not allowed to remain there.

SHRI JYOTIRMOY BASU: Will the hon. Minister tell us what would be the cost of modernisation of the plants in the Cooper Allen Co. Ltd. and what would be the benefit derived out of the modernisation?

SHRI F. A. AHMED: I have not got those figures just now. But I am told it is not only a question of Government taking it over but several parties have shown interest that by a little balancing of the equipment and improving the management, this unit can run profitably. We are considering the various proposals which are before us.

SHRI HIMATSINGKA: As the Company has been losing very heavily, is it a fact that the Company has offered to the Government that they are

prepared to hand it over to the Government without any cost and, if so, will the Government consider that proposal or allow it to be sold to another Company which is willing to buy it ?

SHRI F. A. AHMED: It is not a fact that the Company has offered to hand over the Company without any cost. What they have said is that they will hand over the land which is also a Government land. There are many other conditions. If the hon. Member goes through them, he will be convinced that if it is taken over by the Government, it will be with a very heavy liability particularly of the stock of about Rs. 1½ crores the value of which we do not know and even the Bank has reduced it by about Rs. 6 lakhs.

SHRI S. S. KOTHARI: Will the hon. Minister kindly inform the House how much financial assistance has been asked for by the management from the Government and what steps the Government is taking in the matter in view of their decision to continue to run this unit?

SHRI F. A. AHMED: No assistance has been asked for so far as the Government is concerned. They have represented to us that this Company should be allowed to be sold to Batas and we have said that will not be proper because it will give monopoly to one Company and will also mean diversion of the profit earned by that Company from our country to other countries and that there are other proposals also which can be considered to make it more profitable to the country.

श्री तुलसीदास जाधव : मेरा सवाल यह है कि ऐसी फैक्टरीज हर जगह पर बन्द होती हैं और वहां के जो मजदूर होते हैं वे बेकार हो जाते हैं और भूखे मरते हैं तो यह पालिसी सरकार क्यों नहीं अपनाती कि फैक्टरी चलाने में अगर कोई गलती हो तो मैनेजमेन्ट को अपने ताबे लेकर मजदूरों को रोजगार दे ?

श्री फखरुद्दीन अली अहमद : वहां के लोग बगैर काम के न रहें, इस मामले पर हमने

मैनेजमेन्ट और लेबर के रिप्रेजेंटेटिव्स से डिस्कशन किया और जो मुनासिब समझा, उस पर कार्यवाही हो रही है और हम चाहते हैं कि फैक्टरी चलती रहे और कोई अन-इम्प्लायमेन्ट न हो ।

श्री ना० स्व० शर्मा : मैं जानना चाहता हूँ कि क्या यह बात ठीक है कि एलेन कूपर को ठीक ढंग से चलाने के लिये बी० आई० सी० ने कुछ नये प्रस्ताव मन्त्री महोदय के सामने रखे हैं ? यदि हां, तो वे प्रस्ताव क्या हैं ?

दूसरी बात यह है कि मैं मन्त्री महोदय को धन्यवाद देना चाहता हूँ कि उन्होंने इसको बन्द करने से मना कर दिया है । लेकिन जो दो आल्टरनेटिव हैं, एक तो यह कि एलेन कूपर को गवर्नमेन्ट पूरी तरह से ले ले और दूसरे यह कि वहां जो लेबर यूनियन कोआपरेटिव है, वह इसे रन करे, तो यह दोनों आल्टरनेटिव्स भी ठीक-ठीक चल सकें, इनके बारे में वे कोई निर्णय कर पायेंगे ? अगर इन दोनों आल्टरनेटिव्स के बारे में वह अभी जल्दी ही नहीं सोच पायेंगे तो यह बहुत सम्भव है कि एक, दो महीने की इनक्वायरी के बाद में उसको चलाना और भी मुश्किल हो जायेगा और नुकसान बढ़ता चला जायेगा, इसलिये मैं प्रार्थना करूंगा कि क्या वह इस बात पर सोचेंगे कि जो भी उनकी कोई इनक्वायरी हो, डिस्मिशन हो उसे ज्यादा से ज्यादा वह एक, दो हफ्ते में ही बतला दें ।

श्री फखरुद्दीन अली अहमद : जहां तक इनक्वायरी का ताल्लुक है, मैं मेम्बर साहब को बतला दूँ कि हमारी सर्वे टीम ने इनक्वायरी की है । किन-किन चीजों का खयाल रख कर काम करने से उसमें इम्प्रूवमेंट हो सकता है, वह जानकारी गवर्नमेंट के पास भी है और कम्पनी को भी वह मालूम है । मैंने डिस्कशन में भी उन बातों की तरफ कम्पनी का ध्यान

दिलाया है कि अगर इन तमाम सिफारिशों को वह मान लें तो वह अच्छे तरीके से इसको चला सकते हैं। अभी नये बोर्ड की मीटिंग होने वाली है और हम अभी देखना चाहते हैं कि वह क्या फंसला करते हैं।

एक माननीय सदस्य : लेटेस्ट प्रोजेक्ट क्या है ?

श्री फखरुद्दीन अली अहमद : जैसा मैंने कहा, उसके पहले इस कम्पनी को वह बाटाज को बैचना चाहते थे। उसके बाद इस पर डिस्कशन हो रहा था कि इसे कोआपरेटिव ले सकती है या इसे एस० टी० सी० के पास जाना चाहिये। और भी दो प्रोजेक्ट हैं जो कहते हैं कि एक्सपोर्ट्स बढ़ा सकते हैं और इसको काफी अच्छे तरीके से चला सकते हैं और इसको काफी अच्छे तरीके से चला सकते हैं। यह सभी चीजें हमारे सामने ज़रूरी हैं।

श्री हुकम चन्द कछबाय : इसमें जो बार-बार घाटा होता है उसका एक प्रमुख कारण यह है कि हम जो कच्चा माल खरीदते हैं, कैमिकल्स जो खरीदते हैं, उनका जो मार्केट रेट है उससे अधिक पैसा हमको देना पड़ता है। दूसरे जो हम सेल करते हैं उसमें भी काफी नुटियां हैं, जितना पैसा चाहिये जितना हमें उसका कमीशन लेना चाहिये उससे अधिक कमीशन देते हैं, जितना पैसा मिलना चाहिये वह पैसा नहीं मिलता है तो उसे ठीक करने के लिये क्या सरकार पूरी कोशिश करेगी ?

इसके अलावा इस समय विदेशों में हमारे बहुत बड़ी तादाद में आर्डर्स पड़े हुए हैं और अगर हमने उनको पूरा कर दिया तो जितना घाटा है वह उससे पूरा हो सकता है, कम्पनी ठीक चल सकती है, तो मैं जानना चाहता हूँ कि इसका आयुनिक्कीकरण करने के लिये कितना समय आप लेंगे जिससे कि वह ठीक ढंग से काम कर सके ?

श्री फखरुद्दीन अली अहमद : क्या-क्या कारण हैं, वह मैंने पहले ही बतला दिये हैं। अगर आनरेबल मेम्बर कहते हैं कि और भी

उसके कारण हैं और जिनका कि उन्होंने जिक्र किया है तो उन पर भी हम गौर करेंगे। लेकिन उसके साथ-साथ मैं यह कह देना चाहता हूँ कि मिलिटरी के बूट्स की डिमांड कम हुई है उसे पूरा करने के लिये हम अपने डिफेंस डिपार्टमेंट से कहें कि वह हमारे यहां से मिलेटरी बूट्स खरीदे। लेकिन आपको मालूम है कि स्माल स्केल इंडस्ट्री वाले भी डिफेंस के बूट्स बनाने लगे हैं और दूसरी भी छोटी-छोटी स्माल स्केल इंडस्ट्रीज यह फौजी जूते बनाने लगी हैं। हमको यह देखना है कि कितनी इन चीजों की डिमांड है और कितनी उनकी सप्लाय है और यह कि बाहर हम कितना एक्सपोर्ट कर सकते हैं।

SHRI P. VENKATASUBBIAH : The hon. Minister was pleased to say in answer to a supplementary that there had been a continuous loss in 1965, 1966 and 1967, to the tune of Rs. 30 lakhs per year. Being a minority shareholder, i.e., having 39% of the shares, and having had the factory to supply to a large extent to the military, may I know whether the Government has no control over this unit to avoid these losses, and in the absence of avoiding such losses, what steps Government have taken to rationalise, to make the management more efficient, so that these losses are not incurred? What steps were taken? They opened their eyes only when it was on the verge of closure!

SHRI F. A. AHMED: No, Sir. It was before that, that the Government had appointed a Survey Team. The Survey Team has gone into this question and their report is before us to enable us to take suitable action.

SHRI VIKRAM CHAND MAHAJAN: The hon. Minister has said that there is stock worth Rs. 1.5 crores lying in the factory and he has called it a liability. May I ask under what system of accounting a stock is called a liability and under what circumstances ?

SHRI F. A. AHMED : I was just replying to one question that there are other liabilities. They have taken money on this stock from the bank, and before the Government takes over they will have to pay the bank in respect of the loan which they had advanced on this stock.

श्री ब० ना० कुरील : अध्यक्ष महोदय, श्रीमती सुचेता कृपालानी की इस कानपुर की फँक्टरी में ज्यादा दिलचस्पी नहीं है बल्कि ज्यादा दिलचस्पी उन्हें इस बात में है कि रायबरेली में जो फँक्टरी खुलने वाली है वह न खुले। चीफ मिनिस्टर जब रायबरेली गई थीं तो कहा गया था कि यहाँ रायबरेली में कोई लेदर फँक्टरी नहीं है और उन्होंने वायदा किया था कि यहाँ कोई बड़ी फँक्टरी खुलवाई जायेगी। श्री बनर्जी ने कहा कि वहाँ लेदर नहीं है लेकिन मैं उन्हें बतलाना चाहता हूँ कि एक करोड़ रुपये का सालाना लेदर वहाँ से बाहर जाता है। मंत्री महोदय कहीं इन सब बातों के ऊपर वह रायबरेली की फँक्टरी को तो बन्द नहीं कर देंगे ?

श्री फखरुद्दीन अली अहमद : मेरे पास वह रायबरेली की फँक्टरी नहीं है और न ही मेरे सामने उसे बन्द करने का सवाल आता है।

SHRIMATI SUCHETA KRIPALANI: You have allowed so much of time for this short notice question and you have allowed several Members already. The hon. Member has personally attacked me. So, I would like to say something.....

MR. SPEAKER: It is not provided for in the rules that a Member can answer a question in this manner.....

SHRIMATI SUCHETA KRIPALANI: May I say that I shall be most happy if another factory is opened at Rae Bareilly, but the old unit in Kanpur should not be closed....(Interruption)

MR. SPEAKER : If she wanted she could have got up and interrupted without asking my permission. But I think she has been so good and asked for my permission.

SHRIMATI SUCHETA KRIPALANI: I rarely speak. I try to follow the rules.

MR. SPEAKER : I know that other Members can shout but she cannot do so.

SHRI S. M. BANERJEE: Why should this happen? It has been decided that the Prime Minister will always be from UP; and tomorrow it may be from Kanpur that....

MR. SPEAKER: Shri S. M. Banerjee has the great privilege of getting up and interrupting whenever he likes. But Members like Shrimati Sucheta Kripalani cannot do it. On every question on every occasion the hon. Member gets up and says whatever he wants. He is the sole Member having that privilege.

SHRI LOBO PRABHU: Would the hon. Minister clarify that much of the trouble in this factory is from labour and the factory had become uneconomic because of the rise in wages and other labour claims, and if our friends here would co-operate and if labour would reduce its demands....

SHRI K. N. PANDEY: It is not because of labour claims but it is because of mismanagement.

SHRI LOBO PRABHU: If only our friends representing labour would co-operate, this factory can work.

SHRI F. A. AHMED: If hon. Members would recall, I had given the recommendations made by the survey Team which included the reduction of inefficient and surplus staff.

WRITTEN ANSWERS TO QUESTIONS

BHARAT SEWAK SAMAJ

*332. **SHRI YAJNA DATT SHARMA:** Will the Minister of FOOD AND AGRICULTURE be pleased to refer to the reply given to Starred Question No. 725 on the 18th December, 1967 and state:

(a) whether the Department of Expenditure in the Finance Ministry have