

[श्री उपसैन]

रिलेगण्ड के बारे में जो कानून बनाने जा रहे हैं, वह उसमें यह व्यवस्था रखें कि एक इंडस्ट्री में एक यूनियन रहे। मल्टिप्लोसिटी आफ यूनियन से मजदूरों का कोई लाभ नहीं होने वाला है।

एक बात की ओर बड़ी घुड़दौड़ चल गई है। सजती हम हूँ राजकुमार—हमारी भी लेबर यूनियन है, सात आदमी कम्पनी में लेबर यूनियन बना लेते हैं।

मैं ने चीनी मिल मजदूरों के बारे में कहा, ग्रामीण प्रंचल के मजदूरों के बारे में भी कहना चाहता हूँ कि सरकार ऐसी व्यवस्था करे कि उनका संगठन भी बन जाये। देहातों में करोड़ों की संख्या में खेतिहर मजदूर हैं जिनका जबरदस्त संगठन बनना चाहिए ताकि वे भी अपने रहने की जगह और खाने पीने की व्यवस्था कर लें। मैं उम्मीद करता हूँ कि अगला बजट आते आते मंत्री जो हमें ऐसा मौका देंगे कि हम उनको अच्छी तरह से बर्खास्त दे सकें। वे बोनस दे देंगे और नये कानून बना देंगे जिससे कि मजदूरों को लाभ हो सके।

इन शब्दों के साथ मैं प्रस्तुत मांगों का समर्थन करता हूँ।

MR. CHAIRMAN : The Minister of Industry will now make a Statement.

15.16 hrs.

STATEMENT RE. TAKING OVER OF MANAGEMENT OF ENTIRE GROUP OF SWADESHI COTTON MILLS COMPANY LTD., KANPUR

THE MINISTER OF INDUSTRY (SHRI GEORGE FERNANDES) : Madam Chairman, I am happy to inform this House through you, Sir, that the Government, by a Notification issued yesterday evening under the Industries (Development and Regulation) Act, 1951, have taken over the management of the entire group of Swadeshi Cotton Mills

Company Limited, Kanpur. The National Textile Corporation Limited has been appointed as the Authorised Person under the relevant provisions of Industries (Development & Regulation) Act, 1951. The industrial undertakings thus taken over are:

- (i) Swadeshi Cotton Mills, Kanpur, U.P.
- (ii) Swadeshi Cotton Mills, Naini, U.P., which has three units.
- (iii) Swadeshi Cotton Mills, Maunath Bhanjan, U.P.
- (iv) M/s. Rae Bareilly Textile Mills Ltd., Rae Bareilly, U.P.
- (v) Swadeshi Cotton Mills, Pondicherry, and
- (vi) Udaipur Cotton Mills, Udaipur in Rajasthan.

Duly empowered officers of the National Textile Corporation have already moved in today and taken over the management of the various units. By this act Government have been able to fulfil a demand repeatedly made in this House as well as in Rajya Sabha for appropriate action in respect of this group of mills. The intention behind the take-over is to afford a clean and efficient management to these mills in public interest. I may assure the House that the units will not be handed over back to the erstwhile management.

The events leading upto this act, some of them with tragic proportions, have been agitating the minds of Hon'ble Members here, as well as enlightened public, all over the country. This case history is a rich example of how unprincipled self-centred private management can act in a manner which is highly prejudicial to a large cross-section of public interest. Plagued by family feuds, the management not only led the mills to ruin but also defaulted on more than one occasion in the payment, of legitimate wages to labour. In 1975, there was default in the payment of wages on the eve of Diwali and the management had to be coaxed for disbursing wages through a U.P. Government guarantee of Rs. 1-1/2 crores against borrowings from the banks for the purpose. There were persistent complaints against mismanagement of the company; and the Company Law Board had to undertake inspection under section 209-A of the Companies Act and a notice was issued to this Company in May 1977 under Section 408 of the Companies Act to show cause why Directors should not be appointed in the Company to prevent the affairs of the Company from being conducted in a manner detrimental to public interest. Despite the bailing out of the Company

by the U.P. Government in early 1976, the Company went on slipping and dues for the labour were once again in arrears. An assessment made by the Company Law Board in December 1976 indicated that the Company had accumulated Rs. 43 lakhs arrears towards wages, 14 lakhs towards provident fund dues, 4 lakhs towards ESI and 10 lakhs towards statutory bonus. This was over and above the large overdues to Government by way of electricity charges and the like. The gross mismanagement of the company necessitated a special survey to be undertaken by the Textile Commissioner in respect of the affairs of this Company. The management, once again, revived their normal pattern of working through non-payment of wages. In October, 1977, with arrears of wages over a few weeks, the distressed labour started becoming restive. At the same time the non-payment of dues to the Electricity Board led the U.P. Government to appoint a receiver who in his exercise of his rights attached shares worth Rs. 1 crore of the Swadeshi Polytex invested *by the Swadeshi Cotton Mills. The labour situation fouled by continuous non-payment of wages took a serious turn and tragic incidents involving the loss of human lives took place on December 6th, whereafter the Swadeshi Cotton Mills, Kanpur, remained closed.

While a large multitude of labour was adversely affected first by non-payment of wages and then by this compulsion of a closure, the family management continued with the family feuds and the interest of the workers and the community were nowhere in the picture.

Government was in a predicament since the policy of Government has been not to saddle the National Textile Corporation further with fresh liabilities. However, interest of the workers and that of the public at large could not be jeopardised; and Government had to take a decision to make an exception to the policy and to act for taking over of these units. This was done after satisfying that the U.P. Government were not in a position to take over the management.

On 11th March, 1978 however, the management, apparently apprehending Government intervention, went through the formality of ending the lockout; but the workers were in no mood to cooperate with the management which had forfeited its credibility. The lifting of the lockout

remained only on paper and the workers did not resume duty.

I have surveyed these events in some detail to enable Honourable Members to appreciate the decision in its proper perspective. They may, however, be wondering why Government had to take over all the units of this Company and not only the Kanpur unit which was facing these particular problems. This Company has six units located in various places and all the units are combined in a single balance-sheet of the Company. While the mismanagement and financial bankruptcy of the Kanpur unit was made conspicuous by the various events, the situation in the other units has also been far from satisfactory. An official group which went into the affairs of the Company and the detailed survey made by the Textile Commissioner and the inspection made earlier by the Company Law Board have revealed that the management has been transferring factors of production of men and machinery from one unit to other units freely. Assets of one unit are mortgaged for financing the other unit. In the case of five units it is found that the working capital was negative. It was also found that the reckless investment and creation of encumbrances related to all the units; and in the process all the units have been heavily encumbered. The gratuity payable to workers in all the units have been funded and kept with the head office at Kanpur. It was clear that the takeover of only one unit will not serve the purpose intended under the Industries (Development and Regulation) Act. Sickness in industry is often infectious; and it would not have been appropriate for Government to interfere only after the situation got out of control in these units also. This apart, even on principle Government would like to make it clear that any attempt to pass on one unit of a company to the Government after sucking out its vitals cannot be tolerated any longer. This case should be a lesson for all irresponsible management who think that they can play this game of affliction at one end and prosperity at the other.

This group comprises of 2·14 lakh spindles and 2630 looms. There are more than 12,000 workers, of which nearly 6,000 are in the Kanpur unit alone which has been plagued by frequent closures and repeated anti-labour acts. This group also produces on an average more than 60,000 kgs. of yarn and nearly 2 lakh metres of cloth per day. The dimensions are so vast that Government cannot

*The original word of the Minister of Industry was "in". The correction as printed above was sent by the Minister afterwards.

[Shri George Fernandes]

afford to remain a passive spectator while a private management is playing foul with national resources and affects the interest of workers as well as that of the public at large.

The addition of this group to the NTC will no doubt imply a heavy strain on the already strained resources of the Corporation. In dimensions, this group would be as large as some of the subsidiaries of NTC; and that is why it has been decided that the group will be managed directly by the holding company immediately. Hon'ble Members have been informed by me even on earlier occasions how the NTC administered units are turning the corner. It was this that has encouraged Government to adopt a flexible attitude and entrust the management of this group to the National Textile Corporation.

The history of events of the Swadeshi group culminating in the take-over of the management provides us with an instructive case history of how family management is becoming more and more anarchistic in present conditions. The destinies of more than a lakh of people have been affected by family feuds. Scarce capital and other resources have been frittered away. These events make one think hard as to whether this system of management has not outlived its utility. Hon'ble Members would agree with me that in today's context, there is hardly anything like private capital or resources in the country. It is largely the public financial institutions which in turn are built out of tax payer's money that are supporting the various units. Even management-wise, family management is hardly appropriate in today's context. The Swadeshi case history is a pointer for us to take a careful look at these larger issues.

I am confident that with this decision of Government we would be able to bring back the long forgotten smile on the faces of a large number of workers affected in these units.

SHRI P. RAJAGOPAL NAIDU (Chittoor): One information. With regard to cement factory...

MR. CHAIRMAN : There are no question allowed on this.

श्री यमुना प्रसाद शास्त्री (रीवा) : मजदूरों के हितों के संरक्षण के लिए उद्योग मंत्री जी ने जो यह साहसिक कदम उठाया

है, उस के लिए मैं उन को हार्दिक धन्यवाद देता हूँ और बधाई देता हूँ ।

PROF. DILIP CHAKRAVARTY (Calcutta South): Regarding that firing, he has not mentioned anything.

SHRI GEORGE FERNANDES: I have mentioned it.

MR. CHAIRMAN: There is no discussion. No question also. Now the discussion will continue. Mr Lakkappa.

DEMANDS FOR GRANTS, 1978-79—Contd.

MINISTRY OF LABOUR—Contd.

SHRI K. LAKKAPPA (Tumkur): Madam Chairman, the hon. Labour Minister has been appreciated as a very good Minister. But unfortunately, the Ministry which he is handling has necessarily to get cooperation from many other Ministries. But this Ministry is functioning without any cooperation of many other Ministries. I am not pleading for one type or category of labour force in this country. I would like to urge upon the Labour Minister to have plans and policies which would cover the idle manpower in the country and at the same time to find out a probable-rational solution to the situation which is very explosive in this country.

I would like to draw his kind attention to the large number of agricultural workers covering more than six crores in this country who are working for generations together and there is no code of conduct...

MR. CHAIRMAN: Mr. Lakkappa, if you need some more time, you can continue on Monday because the House will now take up Private Member's Business.

SHRI K. LAKKAPPA: I will continue on Monday.