

The House reassembled after lunch at eighteen minutes past two of the clock, Mr. Deputy Chairman in the Chair.

**I. STATUTORY RESOLUTION SEEKING DISAPPROVAL OF THE SICK TEXTILE UNDERTAKINGS, (NATIONALISATION) ORDINANCE, 1974 (NO. 12 of 1974)—Contd.**

**II. THE SICK TEXTILE UNDERTAKINGS (NATIONALISATION) BILL, 1974—contd.**

**श्री वीरेंद्र कुमार सखलंवा (मध्य प्रदेश) :** मान्यवर, उपाध्यक्ष महोदय, सिक टेक्स्टाइल्स अंडरटैकिंग्स के नेशनलाइजेशन का जो यह बिल लाया गया है और उनका जो नेशनलाइजेशन किया जा रहा है उस का मैं पूरी तरह से समर्थन करता हूँ क्योंकि यह मिल्स बड़ी खराब हालत में थी और इस के कारण, उन मिलों के बार-बार बंद होने के कारण, मजदूरों के लिए अनइंफ्लायमेंट की भीषण समस्या पैदा करती थी। मध्य प्रदेश में राजनंद गांव की मिल, जिस का टैक ओवर किया गया है, उस के कारण मजदूरों को बहुत नुकसान उठाना पड़ा और इसी प्रकार की इंदौर की मिल की भी यही स्थिति थी, लेकिन उपसभापति महोदय, प्रथम बात में इस बिल के बारे में यह कहना चाहता हूँ कि इस का कोई ठीक आधार नहीं है। किस आधार पर मिल्स का टैक ओवर कर के उन का नेशनलाइजेशन किया जायगा इस के लिए शासन ने जो आधार अपनाएँ हैं वह ठीक नहीं हैं। जो राजनंद गांव की मिल है या बरहानपुर की मिल है उससे भी खराब हालत में मध्य प्रदेश में मिलें हैं और उन को टैक ओवर नहीं किया गया है।

जब टैक ओवर वाला बिल आया था तो मैंने अमंडमेंट दिया कि जिन दो मिलों के बारे में संशोधन प्रस्तुत किया था उनकी हालत बहुत खराब है, इतनी खराब है कि वह मजदूरों का बतन तक नहीं दे सकती। वह मिल मालिक मजदूरों को पैसे दे नहीं सकते। उनके ऊपर इतना कर्जा बढ़ा हुआ है कि जिसके

कारण वह मिल चला नहीं सकते। लेकिन उसके बाद भी उन मिलों का टैक ओवर नहीं किया गया। ये मिलें हैं मालवा मिल और कल्याण मिल। लेकिन आपने स्वदेशी मिल का टैक ओवर कर लिया है। तो ये जो सिक मिल आप कहते हैं, कैसे आप उनको सिक निर्धारित करते हैं। इसका ठीक अनुमान शासन के द्वारा अपनाया गया, ऐसा दिखाई नहीं देता। इसके कारण बहुत गड़बड़ है। उज्जैन की दीपवन्द मिल की हालत इतनी खराब है तो उसका टैक ओवर नहीं किया और बाद में मिल मालिकों ने उसको दूसरों को बेच दिया। गये दो सालों में भारी मुनाफा टेक्सटाइल्स मिल्स ने कमाया है और उसके बाद भी उनकी आर्थिक स्थिति आज भी खराब दिखाई नहीं देती है। तो गवर्नमेंट को इसके बारे में निष्पक्षता से विचार करके मजदूरों के हितों का ख्याल करते हुए उनका टैक ओवर करना चाहिए। जो मालिक मजदूरों के हितों का संरक्षण नहीं कर सकते, जो अपनी फाइनेंशियल पोजीशन को ठीक प्रकार से मनेज नहीं कर सकते, ऐसी मिल्स का टैक ओवर करके शासन को ठीक प्रकार से उनको चलाना चाहिए।

दूसरे, इसके अन्दर आपने कंपेंसेशन की बात कही है। अनेक मित्रों ने कंपेंसेशन क्लेम का विरोध किया है। मैं कहूंगा कि इसका कोई बीसस दिखाई नहीं देता। यह बात ठीक है कि संविधान में संशोधन करने के बाद रीजनल कंपेंसेशन वाली बात पर कोर्ट्स के अन्दर चैलेंज करने वाली बात नहीं रही। इसको रीजनल कंपेंसेशन नहीं माना जा सकता है। उसका आधार क्या है। स्वदेशी मिल्स का कंपेंसेशन आपने 1 हजार रुपये रखा है, आईएम 100 पर तो इंदौर मिल का आपने किस आधार पर 94 लाख रुपये कंपेंसेशन रखा है। उन मिलों के बारे में, जैसे बंगाल नागपुर काटन मिल्स, राजनंदगांव है जिसकी हालत बहुत खराब है, बहुत मुश्किल से वह चल रही थी गवर्नमेंट ने उसको 69 लाख रुपये का कंपेंसेशन रखा है। बरहानपुर को 86 लाख, इंदौर मिल को 94 लाख, कल्याण-मल मिल को 90 लाख दे रहे हैं, लेकिन स्वदेशी मिल को केवल 1000 रुपये का-

पैसेशन देंगे। यह आपने शैड्यूल में रखा है तो इसका आधार आखिर क्या है? *(Interruption)* मुझे मालूम है कि मालवा मिल जिसका 94 लाख रुपये का कंपेंसेशन आप दे रहे हैं उनकी लायबिलिटीज ज्यादा हैं। लेकिन उसका कीस-डरेशन आपने नहीं किया और उनको 94 लाख रुपये कंपेंसेशन देने जा रहे हैं इस नाते से इस एक्ट में कोई आधार ऐसा करने के लिए नहीं दिया गया है, केवल आपके डिस्क्रिशन पर रखा है। आपके ऑफिसर्स तथा अन्य लोग जिस ढंग से इसका दुरुपयोग करेंगे या जिस ढंग से इसमें आपने इसको रखा है उससे मुझको शंका है कि उचित न्याय लोगों के साथ नहीं हो सकेगा और एक रेशनल बेसिस के आधार पर कंपेंसेशन फिक्स होगा, ऐसा दिखाई नहीं देता।

इसी प्रकार के अनकों उदाहरण हैं जो इस बिल को सावित करते हैं कि आपने कोई रेशनल बेसिस कंपेंसेशन फिक्स करने का तह नहीं किया है।

अध्यक्ष महाोदय, इसमें केवल इतना ही प्रश्न नहीं है। इसके सेक्शन 5 में आपने कुछ बातों की सुरक्षा की है, मिल्स की लायबिलिटीज के बारे में आपने सेक्शन 5 में प्राविजन किया है। कुछ लायबिलिटीज तो आप लेंगे और बाकी लायबिलिटीज मिलों के ऊपर डालेंगे। जैसे—

Every liability, other than the liability specified in sub-section (2) of the owner of a sick textile undertaking, in respect of any period prior to the appointed day, shall be the liability of such owner and shall be enforceable against him and not against the Central Government or the National Textile Corporation.

अब अगर मिल मालिकों ने मिलों के पेटे काफी बड़े कर्जे लिये हैं तो आप उन मिल मालिकों के लिए किस आधार पर कंपेंसेशन फिक्स करेंगे?

जैसा मेरे मित्र ने अभी बताया कि लायबिलिटी के आधार पर फिक्स किया गया है तो जो लायबिलिटी मिल के आधार पर इन्कर्ड की गई है और वहां जो क्रेडिटर्स हैं उनका भी पैसा वापस मिल सकेगा इसकी कोई गारन्टी नहीं है। मिल मालिकों को अगर मिल के आधार पर क्रेडिट दिया गया, रुपया दिया गया, इसमें बड़े लोग भी हो सकते हैं, छोटे लोग भी हो सकते हैं तो उनका यह रुपया उपलब्ध हो सके सेक्शन 5 के अन्तर्गत तो यह बात आपने आनर्स के ऊपर छांट दी तो मेरा कहना है कि अगर उसके पास ज्यादा लायबिलिटी नहीं होगी तो वह देने की स्थिति में नहीं होगा इसमें कोई प्राविजन होना चाहिए जिससे क्रेडिटर्स का पैसा वापस मिल जाए।

अध्यक्ष महाोदय, इसके अलावा एक और समस्या है वह है मजदूरों की। इन्वेंट के बारे में मुझे कां स्थिति मालूम है। गवर्नमेंन्ट के टैंक और करने के बाद भी, गवर्नमेंन्ट के पास आने के बाद भी प्राविडेंट फंड की राशि आज तक कमिशनर को जमा नहीं कराई जा रही है जो मिल-मालिकों ने मजदूरों की तनखाहों से प्राविडेंट फंड से काटा है उसके हिसाब से जो उनका कंटेन्डिशन बराबर होना चाहिए वह कमिशनर के यहां जमा नहीं कराया गया। प्राविडेंट फंड एक्ट के अनुसार यह मिस-अप्रोप्रिएशन का काम है। इस मिस-अप्रोप्रिएशन का काम करने के बाद भी उनका प्रोसिक्यूशन नहीं हुआ। बार-बार इस राइन मैं मैंने स्वयं ने यह प्रश्न रखा था कि इन्वेंट की कई मिलों के प्राविडेंट फंड की रकम कमिशनर के यहां जमा नहीं कराई गई और उनके खिलाफ कोई एक्शन भी नहीं लिया गया। स्टेट गवर्नमेंन्ट मिस-अप्रोप्रिएशन कैसे नहीं चलाती। सेंट्रल गवर्नमेंन्ट कहती है कि यह स्टेट गवर्नमेंन्ट को करना चाहिए, कमिशनर जो हैं वह सेंट्रल गवर्नमेंन्ट का है और प्रोसिक्यूशन का काम स्टेट गवर्नमेंन्ट का है परन्तु स्टेट गवर्नमेंन्ट उनका प्रोसिक्यूशन नहीं करती। मैं आपको बताना चाहता हूँ कि एक मिल पर 34 लाख रुपया बकाया होने के बाद भी उनका प्रोसिक्यूशन नहीं होता। जो मजदूरों की गाढ़ी कमाई का पैसा है जो उनकी तनखाहों में से

[श्री वीरेन्द्र कुमार सखलेचा]

काटा गया वह जमा न होने के कारण, वे उसका लाभ अपने बच्चों की शादी के लिए या दूसरे जरूरी कामों के लिए नहीं उठा पा रहे हैं। उनका पैसा आज खतरे के अन्दर है। यह मिस-अप्रोप्रिएशन का क्रिमिनल आफेंस होने के बाद भी कोई कार्यवाही नहीं होती यह बड़े दुख की बात है। यह भी दुख की बात है कि गवर्नमेंट के टेक-ओवर होने के बाद भी बराबर यह राशि जमा नहीं हो रही है। इससे इन्दौर मजदूरों के अन्दर असन्तोष व्याप्त हो गया है और उन्होंने आन्दोलन करने की घोषणा की है। इस बारे में उन्होंने बार-बार स्मरण पत्र भी सरकारी अधिकारियों को दिए हैं लेकिन इस सब के बावजूद भी उनका पैसा जमा नहीं हो रहा है और उसका लाभ भी वे बेचारे नहीं उठा पा रहे हैं। इन्दौर की सब मिलों को मिला कर 83 लाख 26 हजार 312 रुपया बकाया है जो मजदूरों की तनख्वाहों से काटा गया है और कमिशनर के पास जमा नहीं कराया गया।

अध्यक्ष महोदय, इस तरह की यह केवल एक ही मिल नहीं है गया काटन मिल के बारे में भी यही स्थिति है। उसको गवर्नमेंट के टेक-ओवर करने के बाद कोई सुधार आया हो, परिवर्तन आया हो ऐसी बात नजर नहीं आ रही है। वहां की राशि जमा करने के लिए कोई संक्योरिटी का भी आपने प्रावधान नहीं किया संक्शन 5 में इस बारे में मजदूरों के हितों का भी कोई प्रावधान नहीं किया गया है इसलिए मैं चाहूंगा कि मजदूरों के हितों के संरक्षण के लिए सरकार इस प्रकार का कोई प्रावधान अवश्य करें।

अध्यक्ष महोदय, इसके बारे में यह भी कहा गया कि मिलजुट टेक-ओवर करने के बाद उनका मोडनाइजेशन किया जाएगा लेकिन आज तक जैसा पता लगा है इसके लिए 200 करोड़ रुपये की आवश्यकता पड़ेगी। उनका मोडनाइजेशन करने के लिए नई मशीनें लानी पड़ेगी तभी वह मिलें ठीक प्रकार से चलेंगी। लेकिन जहां तक पता चला है कि 30-35 करोड़ रुपये से अधिक का प्रावधान नहीं किया गया उनका मोडनाइजेशन करने के लिए। जिस गति से आप चल रहे हैं उससे ऐसा लगता है कि

जो सिक मिलजुट हैं वाइएबलज हैं जो यूनिट के रूप में काम कर सकती हैं वह भी इस स्थिति में दिखाई नहीं देती। मजदूरों के हित की दृष्टि से मैं चाहूंगा कि मिलजुट को ठीक हालत में रखा जाए। इकोनॉमिक वाइएबल यूनिट में कपास के भाव इतने कम हैं कि किसान जो कपास का उत्पादन करता है उसको उसकी कीमत भी नहीं मिल रही है। गवर्नमेंट इतनी बड़ी संख्या में 100 से ऊपर मिलें चला रही है तो इसके साथ उचित कीमत भी कपास की अगर सरकार तय कर दे तो यूनिटें ठीक ढंग से चलेंगी और जनता को भी लाभ पहुंच सकेगा।

इसके अलावा यह भी कहा गया है कि इस प्रकार की जो मिलें हैं वे 30 परसेंट कंट्रोल क्लथ के रूप में उत्पादन करेंगी। मुझे आशा है कि सरकार मिलों से इस लक्ष्य को पूरा करवाएगी और गरीब आदमी को कपड़ा सस्ती कीमत पर मिलेगा। मध्य प्रदेश की विधान सभा के अन्दर यह बात भी सामने आई है कि मिलों को टेक-ओवर करने के बाद 40 बार के बजाय 35 बार के थान निकलें हैं और कपड़े की क्वालिटी भी उस स्तर की नहीं मिली जिस स्तर की बात कही गई थी। ऐसी स्थिति में क्या शासन के खिलाफ भी डी. आई. आर. के अन्तर्गत कार्यवाही की जाएगी? जब इस प्रकार की स्थिति सरकारी मिलों की हो तो सरकार कंट्रोल क्लथ गरीबों के लिए उपलब्ध करा सकेगी, इसमें संदेह होता है। लेकिन फिर भी हम आशा करते हैं कि शासन के मैनेजमेंट में आने के बाद, टेक्सटाइल कारपोरेशन के अन्तर्गत यह काम आने के बाद सरकार इस बात का प्रयत्न करेगी कि इन मिलों में सुधार होगा और गरीब आदमी को उचित मूल्य पर सस्ता और कंट्रोल क्लथ उपलब्ध हो सकेगा। मैं यह भी चाहता हूँ कि कंट्रोल क्लथ के केवल मात्र उत्पादन की तरफ ही ध्यान न दिया जाये बल्कि उसके वितरण की तरफ भी ध्यान देने की आवश्यकता है। स्वयं मेरे गांव के अन्दर जब वितरण के लिए यह कंट्रोल क्लथ आया तो गरीब आदमी को कपड़ा नहीं मिल सका और कूपनों के जरिए ब्लैक मार्केट में भेज दिया गया। ऐसी स्थिति में मैं यह कहना चाहता हूँ कि जब सरकार इन मिलों

को अपने हाथ में ले रही हैं, नेशनलाइज कर रही हैं तो अब तक जो वह मजदूरों के हितों की रक्षा करने और गरीबों का भला करने की घोषणाएं करती रही हैं उनको भी कार्यान्वित करेगी और तब ही इस बिल को यहां पर लाने और पास करने का कोई अर्थ होगा अन्यथा इसका कोई अर्थ नहीं है। मध्य प्रदेश के अन्ध्र जो 11 मिलें टंक-ओवर की गई हैं उनमें सधार करने की विशेष आवश्यकता है। मुझे आशा है कि 83 लाख मजदूरों के प्रोविडेंट फण्ड में जो गड़बड़ी है और उनकी जो बकाया राशि है उसके संबंध में आप तत्काल कदम उठाएंगे। इस निवेदन के साथ मैं अपना भाषण समाप्त करता हूँ।

**SHRI MANUBHAI SHAH (Gujarat) :** Mr. Deputy Chairman, Sir, I welcome the Bill. It is a historical Bill. In the whole democratic world, hardly any country has ever taken the sick babies of an industry or economy in a magnificent manner in which the Central Government and my Party decided to take over these mills and nationalise these sick textile mills. This historical step has been taken and naturally compensation has been given under Article 31C of the Constitution, which this august House and the other House had passed for such nationalization in public interest. When the clamour was all over the country that mills after mills were closing down, and units after units were closing down, it was natural that the Government of India should come to the assistance of labour. Nearly 4 lakhs to 5 lakhs of labour is involved. Article 31-C provided that the discretion of the Government in these matters will be absolute and once reasons are given, the case becomes non-justiciable.

I would answer my friend, Mr. Sakhlecha, and other friends who raised doubts about the competence of the Government about the fixation of compensation, because it is inherent in the structure of the Bill and the structure of the Constitution.

Sir, I would urge upon the Minister to analyse why these mills became sick. Ours is one of the largest industries of the world,

as a matter of fact, the cotton textile industry of India, is today the biggest textile industry of the world. When India became free, we were the ninth. The largest industry was of U.K., followed by USSR, Japan, Germany and France. Even though we are the biggest consumers of cotton cloth in the world, we were the ninth. But due to the correct policy of the Government, we are now having the largest installed capacity, namely, 18.5 million spindles, 2 lakhs 6 thousand mills, 2 lakhs 75 thousand powerlooms, and over a million, out of 3 millions, handlooms which are activated. The Government of India under the Congress Party took over the management of this country in terms of business as well as the means of production and control of instruments of production. Their policies have borne fruit. Today we have 18.5 million spindles. We have doubled the capacity, which was previously 8.10 millions.

The number of units has also gone up from 375 to 698 which also is a colossal expansion of a consumer industry in this country. It has been correct that we have decentralised and helped the handlooms and not allowed any powerloom to come up. As a matter of fact, in the last 25 years since Independence, there has been no expansion in the powerloom sector and the entire yarn which is received from the expanded spindlage goes to the decentralised sector of handloom. Having said that, I come to the question as to why these mills got sick. There are legitimate reasons and illegitimate reasons. I hope that the Minister will not get satisfied by merely nationalising this textile industry, but will go into each case and find out to what extent the Managing Agents and the management were responsible. In fact, I had the greatest touch with this industry for 13 years in the Central Government and also when I was managing so many textile mills in the private sector. It is said that a good management always makes an efficient industry and a bad management spoils it. Sometimes, the absentee landlords sitting in Bombay and Calcutta running the mills in the interior mofussil never pay any visits to the mills, all the

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time milked the milch cattle taking away all the profits leaving junk in the mills. Therefore, it is necessary to find out to what extent legitimate old age has come to the oldest industry of this country, namely, the textile industry and to what extent there has been defalcation of money, mismanagement of funds and non-attendance to the efficiency and modernisation of the units. All these persons require to be punished. It will not be enough merely to take over the mills. Future recurrence has to be stopped.

The second point is : how are we going to run these textile units in the public sector under the National Textile Corporation? Here, I have many points to emphasise before the Minister and the Ministry. I do not believe that 103 units can be managed centrally by the National Textile Corporation. Nowhere in the world and even under the most efficient private sector in the country, this is possible. As I said, the Indian textile industry is not rubbish. Apart from these 103 mills, there are nearly 400 units in the country which are some of the best in the world. In fact, one of the visitors in U.K. went to the Salisbury Store and when he found out the best towel and tapestry, he looked at the back and found that it was made in India. Therefore, to run it down merely because 103 mills have gone bad is not correct. The Indian textile industry has been well managed by and large. There are black sheep and they should not be allowed to go scot-free if they have done it deliberately and want only. I would suggest that wherever there is a sizeable number of units in States like Maharashtra or Bengal or Madras, there should be a State Textile Corporation directly under the joint management of the Centre and the State under the public sector. No private capital is required, nor should it be permitted. They should be managed in a manner that there is a competition of a fair type between 7 or 8 or 9 zonal or State corporations depending on the size. I would shudder if somebody tells me to run 103 mills even if you give me the highest authority. There is hardly any authority in the Government. The Chairman will also have to run

after the Under Secretary and the Joint Secretary. The purchase of cotton is involved. The purchase of stores will be involved. I am much worried that at the end of 5 years, scandals and scandals might appear because the mills are being run from a long distance. I would again urge with all the seriousness at my command and the knowledge of this industry and the various industries that I possess, that decentralisation of management with such autonomy as you can give to the State units with proper inspection periodically by the State Textile Corporation or even the National Textile Corporation is essential. What I am saying is that the zonal corporation or the State Corporation controlling a group of 10 or 12 or 15 units should be an autonomous body and there can be 8 or 10 or 12 such units all over the country owned by the Central and the State Governments and run in the public sector. Unless this is done, it will be impossible to remove inefficiency. What the absentee landlords were doing in the private sector will be repeated because mere owning by the public sector does not improve the quality of the management or the manpower that goes into it. Sir, India has now come on the industrial map of the world. The second point which I would suggest is—this is what I was saying when I was the Chairman of the Development Section of the Administrative Reforms Commission—that a Modernization Commissioner should be appointed along with the Textile Commissioner. Now a stage has come, when we are the biggest industrial sector in the world, that a technically competent Modernization Commissioner should be there, whose work is not to do what the Textile Commissioner does—some administrative duty or to look after the industrial policy which the Ministry and the Government formulate—but on the technical side of efficiency and modernization, his work should be to see that there is a quinquennial inspection of every unit. This is done in many countries. It should be repeated here also. As a matter of fact, India, which is a poor country, is wasting its resources. When I joined the textile industry a long time back, in 1937, the cost of a

25,000—spindles, 600—looms unit was hardly Rs. 15 lakhs. It rose to about Rs. 50 to Rs. 60 lakhs in 1971. Today, it will be something like Rs. 2 to Rs. 3 crores or even Rs. 5 crores. So, ten times more of money is being wasted by over-capitalization. We wake up only when the fire has gutted the whole thing. But the neglect has ruined the industry, and then we say that we replace the entire industry. Therefore, Sir, there should be a five-yearly inspection of every unit through an inspection team in which one of the Government officers, a technical expert, can join, and the rest can be from the industry itself. They should submit an inspection report to the Commissioner and the Central Minister of Industry. They should say whether the unit is functioning well or not, what the problems or drawbacks are, and what maintenance or replacements are required.

Sir, modernization is a very costly process. And Rs. 200 crores which has been suggested here is absolutely an underestimate if you really want to modernize the textile industry. And there is jute, engineering, chemicals, pharmaceuticals and petro-chemicals. All that is there. But, even if you do it in the textile industry, it will run into more than Rs. 500 or Rs. 800 crores or, may be, at the present cost of the machinery, even one thousand crores. Sir, can India afford to wake up occasionally and periodically when there is a calamity or trouble? The depreciation fund of every unit in this country of the private and public sectors, plus a certain amount of distributable profit should go for modernization. That is to replace the machinery, whenever it becomes old, with the new machinery so that the corpus continues to be as efficient as it was. Therefore, Sir, I said about the Modernization Commissioner, about a quinquennial report of inspection, and then about finding of depreciation fund, reserve fund and a part of it from the distributable profit so that these funds can be used at the discretion of the mill as well as the Modernization Commissioner for modernization. My fourth point is this. In the Five Year

Plan of India, modernization is a concept which must be a built-in one. That means, if we have a Plan outlay of Rs. 53,000 crores, at least Rs. 2,000 to Rs. 2,500 crores should be put into the Plan as planned expenditure for modernization of important sectors of economy, namely, jute, petro-chemicals, engineering, etc. Because, Sir, where an industry grows into a big dimension, the liability of the country and the people and at the consumers is so terrific that if we wait till all the machinery becomes a junk, then it will cost you ten times more than when the running is good and when you replace the machinery. This is the fourth point which I have made, apart from the management, which may be done.

Then, Sir, how to prevent the sickness which has crept into this industry? I would submit that the real problem has been that we have not been able to modernize what we call the structure of the machinery in this country as much as is necessary. Now, our spindles today and the concentrated forms of our looms are not as modern as the Birmingham mills or they are not of the latest type. Therefore, even in the machinery section, one has to take care, particularly the Government and the Inspectorate, either the Modernization Commissioner or the Textile Commissioner, that the manufacture of machinery is brought up-to-date so that whenever the machinery is purchased, it gives proper efficiency. And without efficiency we will not be able to make our cloth cheaper.

Then, Sir, the point which has plagued the running of the textile industry is the lack of cotton. Now, I will tell you, Sir, why we have to continuously import cotton. It is because the yield of cotton in this country has been the lowest in the world. You will be surprised, Sir, in India, we have 19 million acres under cotton and we produce a maximum of 6.5 million bales. The USA has 10 million acres under cotton and they produce 140 lakhs of bales, almost two and a half times more with less than two-thirds of acreage. The

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USSR, with only 7 million acres is producing 13 million bales. And Pakistan which has got one-fourth the acreage, i.e. 4.75 million acres, produces 76 lakh more bales than we do; that is double the production of India. Therefore, if we take the highly industrialised countries like the USA or the USSR, or countries like Pakistan and China, we find that the production of Indian agriculture is so low that 19 million acres of land under cotton gives only 6.5 million bales, which is poor, and unless and until cotton of good quality and large quantity is produced to make this industry self-sufficient, the total import of this industry will outweigh even the expanding export. I am glad that this year's export of textiles has been almost Rs. 250 crores, but even then the net balance should be unfavourable, i.e. minus from exports all the things required by the textile industry, as compared to what they could earn from export. Therefore, I would urge that attention to cotton growing has to be given.

Lastly, before I end, I would urge on the Minister that in the measurement of profits etc., we must see to it that these textile units earn enough money. Today what has happened is this. The last two years have been very favourable. Since we took over the textile industry, it earned the highest profit last year, highest in the last 25 years, because of inflation and other things. Let them not get into a sort of feeling of complacency that this profit is going to last. As a matter of fact, I am told in the last three months itself recession is causing its effect—not recession in terms of consumer demand but in terms of the profits going down and unless and until a very watchful eye is kept, this industry might really become one like many of the public sector units—many of them have certainly improved, many of them are still languishing—and we might have not only a sick textile unit nationalised, but the nationalised unit might become heavily sick, if attention is not given to it. In

this respect, a very vigilant eye is necessary and one should not think that the task is over or the task has been completed only because we have taken over.

Another last point before I end is that if textile mills are taken over with the proper report under the Industries Act. Section 15 and 18, we have to see that some units where the workers labour and agriculturists are able to make a cooperative, there mere nationalisation is not all right, some measure of cooperatization is necessary because I remember when I took over in 1955, we had four or five cooperative units, and now we have 73. The whole idea that the labour and agriculturists and the handloom weavers should become the owners rather than the State or the capitalists, is worth pursuing—and we have done so, 73 cooperative spinning mills are functioning with very good efficiency and they are earning much more profit as compared to public sector the private sector. Therefore, it should be a cooperative sector so that it is modernized and looked after by the various toiling sons of the country. I hope that this aspect will not be neglected because in the Bill I do not find any provision where the Government empowers to permit cooperatives of mills these workers and agriculturists and handloom weavers, to take over any of the textile mills taken over under this nationalisation. Cooperatization of labour with proper participation of labour in the management of this industry is a sort of must. Even in the Board of Directors of the National Textile Corporations—as I have suggested, may be half a dozen or 8 or 9 regional or State Textile Corporations.—we should have the labour representatives, not merely at the functional base or on the mid-management or fore-management but also on the highest management, in the Board of Directors, with power to direct and advise the management how to improve the working. Then only an effective participation of manual labour will take place and it will help the Ministry and the Government because they will have a watch over the nefarious activities which

even the bureaucratic or the nominated Board is likely to make, because the workers will have a direct interest in that. Therefore, I would urge that this should be done.

With these words, I welcome the Bill and heartily congratulate the Minister for the very historic step that he has taken to save labour from unemployment and to save the country from ruin.

SHRI D. THENGARI (Uttar Pradesh):

Sir, I was sorry to note yesterday that the hon. Minister was not kind enough to concede the one demand which had been endorsed by all the members from both sides who spoke on the Bill. Any liability arising out of wages, salaries and other dues of the employees of the sick mills/undertakings in respect of any period not only after but even prior to the period when the management of such undertakings had been taken over by the Central Government should be the liability of the Central Government. That has been the unanimous verdict of this House. The natural corollary would be that any liability arising out of such amounts as may have been paid from the provident fund of the workers as loans to the sick undertakings at any period prior to or after the management of such undertakings had been taken over by the Government and such amounts as may have been paid by small depositors as fixed deposits to the sick undertakings in any period prior to the taking over by the Central Government should also be the liability of the Central Government. I hope that even at this late stage, the hon. Minister would reconsider the whole situation and give appropriate assurance in this respect.

Sir, the House has discussed the various aspects of this problem of the prosperity of the textile industry as well as of the sick mills. As has been rightly pointed out cotton production in our country has fallen because proper price was not paid to the cotton growers. In 1971-72, production was 65 lakh bales and in

1973-74, the production was 60 lakh bales. Before April 30 last, the Cotton Corporation used to sell cotton to any buyer either mill or private trader. On April 30, the decision was taken that the Corporation could sell its stocks directly to the mills. That means till April 30, there was full scope for speculation by traders. Why such loophole was left, it is difficult to understand. The Cotton Corporation had given till that period to the private traders 5 lakh and odd bales and to the mills, 3,01,024 bales. Sir, it is necessary for balanced development that we must ensure remunerative prices to Cotton growers, catalogue prices for cotton, that is, cost price plus 1 per cent commission as service charges to mills, reasonable price for cloth to consumers and rational wages to workers. There should be some relationship between the purchase price of cotton and the sale price of finished cloth. Such a relationship does not exist today.

Sir, the textile mills have been concentrating their attention and vying with one another for producing sophisticated high-priced varieties and that too, non-cotton and mixed fibre fabrics. The nationalised mills should concentrate on the requirements of the masses and produce standardised variety, say janata dhoties, sarees, shirting etc. According to a report of the Textile Committee of the Ministry, of Commerce, that is, Consumers purchases of textile, 1973, the *per capita* consumption of cotton textile declined by 10 per cent after a fall of 6.4 per cent in *per capita* availability and the rise of 17 per cent in prices. It is true that the prices of cotton have gone up, specially from January, 1974, by 40 per cent and during the last one year, by 30 per cent. The nationalised mills should manage to purchase cotton at the right time on a centralised basis. It is their moral duty to build a wide network of fair price shops for the distribution of their cloth and bring down the prices, particularly of the coarse and medium varieties of cloth. It is also their duty to spin more yarn for the handloom sector.



[Shri D. Thengari.]

Sir, yesterday there was some discussion on the desirability of nationalisation. Personally I consider nationalisation today is nothing but bureaucratic capitalism. I would prefer, instead of bureaucratic capitalism, labourisation, by which I mean that the labour or effort of the worker should be evaluated in terms of shares and workers raised to the status of shareholders. This can be done. Moreover, there can be democratisation of mills also under which the shares of the company should be thrown open to the low income group only, so that they can also participate as shareholders. Co-operatisation has also been tried, to an extent successfully, in this country. Nevertheless, it seems that while the very concept of industrial ownership deserves to be reconsidered, today, at least when we are discussing this Bill, the question whether these mills should be nationalised is only of academic interest. Even when the management of the mills was taken over under the Industries (Development and Regulation) Act and the Sick Textile Undertakings Act, 1972, it was made clear that the mills would not be handed over to the original owners. An expenditure of Rs. 108 crores has been earmarked during the Fifth Plan for expansion and modernisation of these mills. Already about Rs. 10 crores worth of new machinery is reported to have been received up to June end. True, some of these mills are mere scrap or crippled or limping with no machinery worth the name. They have only heavy liabilities. Still the number of working mills today is 96 out of 103. Reorganisation and rehabilitation of these mills is a 'must'.

It is true that the production of cloth and capacity utilisation of Government-managed mills has been progressively increasing during the last three years. It is also a fact that, while the prosperity of the mills is increasing, the share of the workers in that prosperity, that means their relative wages, has not increased correspondingly or proportionately. It should be ensured that with modernisation retrenchment is not effected. Presently the total number of workers in these sick

mills is 1,63,000. It constitutes almost 18 per cent of the total number of textile workers.

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR). In Chair.

The management should not take the usual bureaucratic plea that the labour complement in the spinning or weaving departments is higher than their so-called normal level. Efficiency of management should ensure not only increase in exports or profits, but also improvement in wages and productivity of workers. Exports with the introduction of some of the varieties can be boosted up but domestic consumption, particularly medium and coarse cloth, should be given priority. Incidentally, I must suggest that the management ought to have introduced earlier or at least should now introduce cost accounting. We should also ensure that the notorious power-cut or load shedding is not allowed to hamper production in these mills.

There has been some discussion on the organisational set-up of the nationalised textile industry. It was suggested that all the mills should be under the jurisdiction of a single Ministry. Decentralisation of administrative authority has also been suggested. Some State Governments have pointed out that the running of textile mills requires decentralised management. Familiarity with local conditions and procedures facilitates quick decisions.

The question deserves further consideration by experts in the science of management. A decision should be taken on the advice of experts. It should not be a political decision

3 P.M.

Today 34 mills are managed by the National Textile Corporation. 59 mills are managed by the State Textile Corporations and 4 mills by individuals or body of persons.

I may also suggest at this stage that not only for sick mills but for the entire public sector, it is necessary that we should raise a new class of professional public administrators who can handle the public undertakings in the best possible manner.

Regarding workers' dues, I reiterate the demand that all their dues, without exception, should be paid.

Regarding the application of awards and agreements, I again reiterate the demand that the sick mills should be brought within the purview of all the awards and agreements.

I also further reiterate that a system of efficient audit and early warning should be introduced, more particularly because, unfortunately, in our country, in the textile industry, in particular, we are not having industrialists; we are only having business men who are diverting through trading channels their huge profits.

All these demands I reiterate. Thank you.

**THE MINISTER OF STATE IN THE  
MINISTRY OF INDUSTRY AND CIVIL  
SUPPLIES (SHRI B. P. MAURYA) :**  
Mr. Vice-Chairman, Sir let me have the privilege to express my heart-felt thanks to the hon. Members who took keen interest in the debate on the Bill. I would also like to express my gratitude to all the hon. Members who whole-heartedly supported the Bill, which has achieved a status of popularity.

Workers' dues of the pre-take over period have attracted the attention of the hon. Members. The amount fixed, management pattern of the NTC and the State Textile Corporations, dues relating to the pre-take over period, modernization, expansion, provident fund, labour participation in management and a uniform textile policy are the main issues which have been discussed by the hon. Members.

Hon. Members, Sarvashri S. G. Sardesai, A.G. Kulkarni, Lokanath Misra, N. K. Bhatt, Deorao Patil, V. K. Sakhlecha and others hon. Members have expressed their great concern that a huge amount of Rs. 39 crores is going to be awarded to the owners of these 103 sick textile owners. The hon. Member, Shri Kulkarni went to the extent of saying in this regard—I quote :

“What for is this compensation being paid ? For having played fraud with the people ? What for are you paying compensation of about Rs. 39 crores? So I am one with Mr. Sardesai that the total compensation should be zero. You have passed laws in this country to take over any industry or any property in the interest of the people. So I do suggest to you that zero compensation should be paid to all these textile interests . . .”

There is another extreme view also which is being advanced by the hon. Member, Shri Babubhai M. Chinai who opposed the Bill in the following words :

“I am opposing this Bill, not only opposing but opposing tooth and nail . . . The amount payable in respect of 103 cotton textile mills, at Rs. 40 crores, is too meagre.”

Keeping in view the interest of the people of the country, Parliament amended article 31 of the Constitution and the word “compensation” was substituted by the word “amount”. Sir, now in terms of article 31 of the Constitution, no property can be acquired save by authority of law and after payment of an amount which may be fixed by such law. Hence it was necessary to provide for payment of an amount to the owners for the vesting of the right of ownership in the Government. The total amount of Rs. 39,18,13,000, specified in the First Schedule to the Bill, had been determined taking into account not only the assets of the 103 sick textile undertakings, which have been transferred to vest in the Central Government, but also the liabilities which have been assumed by the Central Government in respect of these undertakings under sub-clause (2) of clause 5 of the Bill. However, other liabilities attached to these undertakings have not been assumed by the Central Government. Claims relating to such liabilities have to be filed before the Commissioners of Payment against the amount specified in the First Schedule. It may be stated that though

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the extent of these claims will be correctly known only after they have been decided by the Commissioners of Payment, it is likely that a very substantial portion of the amount specified in the First Schedule will go towards meeting loans advanced to the undertakings by nationalised banks, financial institutions, the dues of the workers, the dues of the Central and State Governments, Semi-governmental authorities, etc. The residual amount, if any, which remains after meeting such liabilities will go to the owners. It is, therefore, incorrect to say that the owners are being paid a huge amount totalling Rs. 39 crores. The residual amount which may go to a few of the owners after meeting the liabilities is not likely to be of any significant magnitude.

Sir, hon. Members specifically mentioned certain sick textile mills from Schedule I and expressed their doubt about the genuineness of the amounts mentioned in column 4 of the Schedule. There are seven mills in the case of which only an amount of Rs. 1,000 each is to be paid under the First Schedule for the vesting of the right, title and interest of the owner in the Central Government. Sir, in the case of all these seven mills, it was found that the total liabilities being assumed under clause 5 of the Bill, were in excess of the total value of the assets. Consequently, these mills were found to have a negative net worth after taking into consideration the liabilities assumed. Therefore, only an amount of Rs. 1,000 was indicated in the First Schedule against these seven mills with a view to complying with the provisions of article 31, sub-clause (2) of the Constitution.

**SHRI B. RACHAIAH (Karnataka) :** This amount of Rs. 1,000 that you have provided is not even sufficient to cover the compensation to the workers who have paid their provident fund and ESI contributions to the owners.

**SHRI B. P. MAURYA :** I will be coming to that.

Sir, I would like to give the historical background of the formation of the National Textile Corporation. It has become inevitable because some of the hon. Members have expressed their views in this context in such a manner as if the National Textile Corporation has come into existence very recently, and is going to take all the rights and privileges which had been enjoyed by the State Textile Corporations and the State Governments who have been running sick textile mills for a very long period.

The National Textile Corporation was set up in April, 1968 with the main objective to manage the affairs of the sick textile undertakings taken over by the Government from time to time. Simultaneously, the then Minister for Commerce had a meeting with some of the Chief Ministers and Industries Ministers of the States in May, 1968. In that meeting it was suggested by the Commerce Minister that the State Governments might also set up State Textile Corporations as subsidiaries to the NTC. It was also mentioned that the assistance of the Central Government will be routed through the NTC and that it would be generally 51 per cent. The balance amount of 49 per cent was to be contributed by the State Governments or State Textile Corporations. Hon. Members have vehemently pleaded for the pattern of the management of the mills in which the State Textile Corporation should have complete control and supervision. They specially drew the attention of the House towards the mills situated in Maharashtra. Hon. Member Shri S. S. Mariswamy spoke in a similar vein and pleaded for management of the textile mills in Tamil Nadu through the State Textile Corporation.

Sir, the 103 textile undertakings taken over by Government were being managed partly through the NTC and partly through the State Textile Corporations. State Textile Corporations had been established in the States of Maharashtra, Madhya Pradesh, Gujarat, Kerala, Tamil Nadu and Uttar Pradesh and were acting as authorised controllers or custodians on behalf

of the Central Government. Mills located in other States were being managed directly by the NTC. A State Textile Corporation has been set up recently in West Bengal also but it is functioning only as the agency through which funds are released to the mills. The financial requirements of these undertakings were being met by the Central and State Governments in the proportion of 51 : 49. However, due to paucity of resources with State Governments, the NTC had to release the State Governments' share in many cases.

Soon after the work relating to NTC was transferred to this Ministry in March 1973, the questions relating to legislation for the nationalisation and future pattern of management of the mills were taken up for detailed examination. Several alternative management patterns were considered. It was thought advisable that a coordinated approach was necessary to fulfil the objectives of nationalisation. The continuance of State Textile Corporation could have certain disadvantages, which are *inter alia* :

- (i) Possibility of unhealthy competition;
- (ii) Limitation in the development and therefore sub-optimal use of management;
- (iii) Uncoordinated approach in the matter of development of exports;
- (iv) Difficulties in pursuing R&D activities; and
- (v) Difficulties in grouping textile mills in certain States into viable units.

After taking into consideration the different suggestions and views of the State Governments, it was decided to entrust the management of the mills to subsidiary corporations of the NTC in the interest of uniform pattern of management and efficient running of the mills.

In order that the State Governments are fully associated in the management of the subsidiary corporations, it has been decided that the Chairman-cum-Managing

Directors of the subsidiaries would be appointed in consultation with the State Governments. The State Governments would have option to contribute upto 49 per cent of the equity capital and nominate Directors on the Boards in proportion to their share in the equity capital.

Sir, the honourable Members have argued that the investments made by the State Governments, for example, that of Maharashtra, Tamil Nadu and others, in the sick textile mills and the guarantees furnished by these State Governments for obtaining finances for the mills during the pre-take over of management period should also be protected. In this Bill, Sir, a clear distinction has been made between the liabilities pertaining to the post-take-over of management period and those relating to the pre-take-over period. Under sub-clause (2) of Clause 5 of the Bill, loans advanced by the Central Government, State Governments, NTC and STC during the post-take-over period are being assumed by the Central Government. As regards the guarantees furnished, those relating to loans advanced by the banks and the financial institutions during the post-take-over of management period they figure in Category 1 in the Second Schedule and it has been provided that all such liabilities, to the extent they are not discharged out of the amount specified in the First Schedule, will also be assumed by the Central Government. The investments made by the State Governments or the guarantees given in the pre-take-over of management period could not have been protected without upsetting the scheme in the legislation regarding assumption or discharge of such liabilities. Consequently, in regard to such liabilities, the State Governments would have to file claims before the Commissioners of Payment against the amounts specified in the First Schedule.

Sir, with regard to the investments made in the pre-take-over period, or the liabilities of the pre-take-over period, it would not be legally in order to give them the same priority as for the funds advanced after

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the take-over of the management. Such proposals would be in direct contravention of the scheme of priorities drawn up in the Bill.

SHRI S. G. SARDESAI (Maharashtra): You have mentioned the word "legally". Why so?

SHRI B. P. MAURYA: I understand your point. You see, entire structure of this Bill is based upon two main pillars: One is that the entire period is divided into two parts—the pre-takeover period and the post-take-over period, that is, the period when the NTC or the Central Government was not in the picture and the period when they were very much in the picture. Sir, these two periods have been very clearly divided and there are very clear demarcation lines. Now, there are certain advantages so far as the pre-take-over period is concerned and there are certain advantages so far as the post-take-over period is concerned. So far as the post-take-over period is concerned, either they are the dues or advances or loans given by the State Government or a State Corporation or the NTC or the Central Government or the dues of the workers—all are covered under sub-clause (2) of Clause 5. So far as the pre-take-over period is concerned, all the pre-take-over period dues are to be in one category. If you choose any one kind of the pre-take-over period dues, then it may be declared as discriminatory. You cannot choose any of the dues according to your good wishes when you have made a sharp distinction between the pre-take over and the post-take-over period. Naturally, you cannot choose any of the dues of the pre-take-over period. You take over the entire responsibility for the pre-take-over period which you cannot, which we cannot, which we are unable to do. But I wish we could do it though we cannot do it and it is impossible because the assets are not there, because the funds are not there. Because of these things, if we choose, if you choose, any of the

liabilities, any of the dues of any character of the pre-take-over period leaving the rest of the dues behind, then it may be declared discriminatory. This is my submission.

SHRI S. G. SARDESAI: Be more clear on this. I am not agreeing to what you have conceded. But you have already conceded that for the pre-take-over period the workers' wages will have a certain priority over the other creditors. So, if you just want to argue legally, somebody will go to the court and say that even that much priority is illegal. I will argue against it. But since you are taking a particular position on the question of priority—you have already made that change in the Second Schedule that priority so far as the workers' dues are concerned is above the secured loans. That is very good. We want you to lift it still further. My second point is that the argument you made just now is not legal at all. If you want to give an argument, that is a different matter. What I stated yesterday was that workers' dues which were with the employers are of a totally different character than the credit given to employers by other creditors. workers' dues . . .

THE VICE-CHAIRMAN (SHRI TAGDISH PRASAD MATHUR): Your point is clear . . .

*(Interruptions)*

SHRI D. THENGARI: Just one clarification. Can the hon. Minister categorically state that he would treat the workers' dues at par with bankers' dues? In the name of technicalities . . .

*(Interruptions)*

SHRI B. P. MAURYA: Legal and practical approaches are like this. One is living in the same house—simply changing the room. Another is the aspect of leaving the house and going to a different house. What my submission is that when we make inter-changes in the pre-take-over period and the post-take-over period, either you put a particular amount due in category 3, 4 or 5. That is different. It can be

adjusted. It should be adjusted upto the maximum. But when you take out one due out of the pre-takeover period and put it in the post-takeover period, then naturally it will be discriminatory.

DR. K. MATHEW KURIAN (Kerala): It is simple. There is distinction between the dues of the workers...

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR) : He does not want to make distinction. . . .

*(Interruptions)*

SHRI B. P. MAURYA : I still remember that the hon. Member, Shri Sardesai, used the word 'trust money'. I can understand your feeling. Coming as I do from the labour class I can understand this feeling. That's true . . .

*(Interruptions)*

SHRI S. S. MARISWAMY (Tamil Nadu): You have a property or an industry. You take it lock, stock and barrel. There is no differentiation between pre-takeover period and post-takeover period. You cannot treat the workers' salary... *(Interruptions)*. What I say is: Can the hon. Minister give a promise that the pre-takeover period liability also will be taken over by the National Textile Corporation and the workers' salary would be the first charge? You should give that assurance.

SHRI D. THENGARI : In the name of technicalities he is going to rob the workers of their dues. It is a highway robbery.

DR. K. MATHEW KURIAN : Why should the Minister anticipate it?

SHRI B. P. MAURYA : Dr. Kurian, I am trying to make it clear. Yesterday, there were hon. Members who in their wisdom had been saying that the owners of these sick mills had been playing fraud. It is they who had been saying that they had been misusing the provident fund. It

is they who have in their wisdom been saying that these owners were criminal offenders and habitual offenders. The hon. Members in their wisdom were telling all sorts of stories.

Regarding the pre-take over period, there will be no justification to divide this period as a period between when the Government or the SFC came into the picture and when the individuals came into the picture, when they were indulging in all sorts of activities. That is why I was submitting that it has two factors : the pre-takeover period and the post-takeover period.

SHRI S. G. SARDESAI : You have taken care of your own money, but you have not provided for the workers.

SHRI B. P. MAURYA : The hon. Members have expressed strong feelings on the issue of provident fund of the workers corresponding to the pre-takeover period. Clause 14 of the Bill provides :

"Every person who is a workman within the meaning of the Industrial Disputes Act, 1947, and has been, immediately before the appointed day, employed in a sick textile undertaking shall become, on and from the appointed day, an employee of the National Textile Corporation and shall hold office or service in the National Textile Corporation with the same rights and privileges as to pension, gratuity and other matters as would have been admissible to him if the sick textile undertakings had not been nationalised."

Clause 15 of the Bill provides that where any provident fund was established by the owner of the sick textile undertaking, the monies relatable to the employees, whose services have become transferred to the N.T.C. shall stand transferred to the National Textile Corporation. Further, it will be seen that the amount of the liability which is proposed to be taken over, is an unspecified one and it is not known as to what would be the quantum of such liability. Further, it

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will be seen that out of the liabilities of the previous owners, if only one liability, namely, the provident fund due to the workmen, is being discharged by the Central Government, in that case, the picking out of one liability out of the several liabilities of the previous owners is likely to be regarded as discriminatory and is also likely to be challenged as an unreasonable preference given to a particular class of creditors to the detriment of the other creditors. It is, therefore, felt that it would not be possible to pick out one liability out of several from the group belonging to pre-takeover period. I myself had been a manual labourer in my life.

श्री देवराव पाटिल (महाराष्ट्र) : 14 क्लाज के बारे में कल मैंने बताया था कि प्रोविडेंट फंड के बारे में आपने कुछ संशोधन किया है, लेकिन इस संशोधन से आपने डिस्क्रिमिनेशन किया है दो वर्क्स के बीच में। जनरल क्लाज तो ठीक है क्योंकि प्रायोरिटी चेंज कर दी है उसे उनको कुछ प्रोविडेंट फंड मिल जाएगा, लेकिन कुछ इंडिविजुअल कंपों में जिन वर्क्स को सिर्फ एक हजार रुपये का पेंशन अगर देना है तो उनको प्रोविडेंट फंड का कुछ नहीं मिलेगा। इस तरह से वर्क्स में डिस्क्रिमिनेशन आप कर रहे हैं। उनके लिए आप कुछ इंटरजाम कीजिए।

श्री बी. पी. माथुर : श्रीमान प्रायोरिटी के बदलने से शैड्यूल 2 में वर्क्स के एक्जिस्टिंग असेट्स अमाउंट्स को, जिसमें प्रोविडेंट्स फंड भी शामिल है उसको शैड्यूल 2 के भाग बी में कटेगरी 4 से लेकर 3 में रखा गया। इससे काफी हद तक बड़ी संख्या में जो प्रोविडेंट फंड बकाया है उससे इसका समाधान हो जाएगा। तब भी कुछ धन बचेगा प्रोविडेंट फंड का वह मजदूरों को मिल जाएगा। यह अपनी जगह सत्य है कि कुछ मिलें ऐसी हैं जहां पर अमाउंट, धन की राशि केवल एक हजार रुपये होगी, वहां निश्चित रूप से वर्क्स को प्रोविडेंट फंड का पैसा नहीं मिल पाएगा। मैं आपके द्वारा माननीय सदस्य को यह विश्वास दिलाना चाहता हूँ कि सरकार का पूरा प्रयत्न रहेगा कि किसी भी तरह से इस समस्या को हल किया जाएगा।

Sir, I myself had been a manual labourer in my life. I can very well understand the agony and the anxiety of the hon. Members on this burning issue of Provident Fund of which 50 per cent was contributed by the workers from their hard earned wages. It is also a matter of great concern that the previous owners of most of the sick mills could escape the prosecution. I believe that the authorities concerned will prosecute the defaulters in these cases so that the workers may not lose their hard earned Provident Fund.

About the workers' dues, almost all the hon. Members who took part in the debate have expressed their concern on the most crucial issue of the employees' dues of pre-take-over period. Irrespective of Party affiliations, the hon. Members had been almost of the unanimous opinion that the workers' dues of the pre-take-over period should have a priority. Sir, I will fail in my duty, if I do not mention that hon. Members, S/Shri Sardesai, Dattopant Thengari, Kulkarni, Deorao Patil, Dr. Kurian and Shrimati Sushila Adivarekar had been putting all their weight in favour of workers' dues. I would also like to share the genuine feelings of the hon. Members in this connection. Sir, in order to understand the complete structure of this Bill which is based upon two main pillars of pre-take-over and post-take-over period, I would like to discuss these two factors in detail.

Under Clause 3, on the appointed day that is, 1st April, 1974, the acquisition and transfer of the sick textile undertakings, and the title, right and interest of the owner in relation to every sick textile undertaking shall stand transferred to and vest in the Central Government. The effect of vesting has been spelt out in Clause 4(1) of the Bill, wherein it has been made clear that the sick textile undertaking referred to in Clause 3 shall be deemed to include not only all the assets but also the liabilities and obligations specified in sub-clause (2) of Clause 5.

Under Clause 8, provision has been made for payment to the owners of the sick textile undertakings vested in the Government under Clause 3, of an amount equal of the amount specified against the sick textile undertaking in column 4 of the First Schedule. It is evident that the amount specified in the First Schedule has been determined taking into account the assets which have vested in the Central Government in relation to the sick textile undertakings as well as the liabilities which have been assumed under sub-clause (2) of Clause 5. It may be emphasised that the liabilities assumed and, therefore, taken into consideration in determining the amount for the First Schedule, are only those spelt out in sub-clause (2) of Clause 5. These liabilities are loans advanced by the Central Government, State Governments, National Textile Corporation and certain categories of workers' dues pertaining to the post-take-over of management period.

In this Bill, a distinction has been made between liabilities incurred in the post-take-over of management period. Between 1959 and 1972, Government had taken over the management of 103 textile undertakings. Preferential treatment has been given to liabilities incurred during the post-take-over of management period of these mills. As indicated earlier, certain liabilities of the post-take-over of management period have been assumed by the Central Government. Since these liabilities have already been taken into account while determining the amount payable under the First Schedule to the owners, there is no provision for filing of claims pertaining to these liabilities against the amounts specified in the First Schedule to the Commissioner of Payment.

Claims in respect of all other liabilities have to be filed against the amounts specified in the First Schedule before the Commissioner of Payment. These liabilities have been divided into six categories in preferential order and listed in the Second Schedule. Unlike the liabilities assumed under sub-clause (2) of Clause 5, these liabilities specified in the Second Schedule

were not taken into account in arriving at the amounts specified in the First Schedule. In accordance with Clause 21 of the Bill, these liabilities will have priorities as follows:

Category I will have precedence over all other categories and Category II will have precedence over Category III and so on.

Liabilities included in Categories I and II relate to post-take-over of management period and liabilities in Categories III—VI pertain to the pre-take-over period.

Category I liabilities include *inter-alia* bank loans, trading credits availed by the textile undertakings during the post-take-over of management period. Although claims will have to be filed before the Commissioners of Payment in respect of these liabilities, Clause 27 provides that to the extent they remain undischarged from the amounts specified in the First Schedule, the liabilities shall be assumed by the Central Government after the Commissioner of Payment has intimated to Government the amount which has remained undischarged.

The liabilities specified included in Category I of the Second Schedule, therefore, in effect have the same status as the liabilities assumed by the Central Government under sub-clause (2) of Clause 5. The only difference being that the creditors included in Category I of the Second Schedule have to file claims before the Commissioners of Payment in the first instance, whereas no such claims have to be filed in respect of liabilities assumed under Clause 5. The total liability which the Government may have to assume in respect of category I dues is likely to be of the order of Rs. 9 crores.

Category II dues also pertain to the post-take-over of management period. These are *inter-alia* revenue, taxes, etc. of the Central and State Governments and other dues. To the extent that they are not satisfied out of the amounts specified under



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the First Schedule, these dues shall ultimately abate. Therefore, dues placed in Category II of the Second Schedule, though they relate to the post-take-over of management period are not being fully protected, unlike the other liabilities of the post-take-over of management period specified in Clause 5 and Category I of the Second Schedule. However, for purposes of meeting claims out of amounts specified in the First Schedule Category II dues rank above other liabilities pertaining to the pre-take-over of management period spelt out in Categories III to VI of the Second Schedule.

In regard to the dues of the pre-take-over of management period, arrears in relation to provident fund, salaries and wages, and other amounts, due to an employee have been placed in category III and have been given a higher priority even over secured loans which have been placed in Category IV. Revenue, taxes, cesses, rates or any other dues to the Central Government, a State Government, a local authority or a State Electricity Board have been placed in Category V while any credit availed of for purpose of trade or manufacturing operations and any other dues have been included in Category VI. Claims for these dues have to be filed against the amounts specified in the First Schedule, before the Commissioners of Payment and they will be decided according to *inter-se* priorities prescribed. To the extent they are not met, they will also abate.

A majority of the notices of amendments received from hon. Members relate to according of higher priority for workers' dues for the pre-take-over of management period. Workers' dues for the post-take-over period have been assumed by the Government. The workers' dues of pre-take-over period have been given highest priority which could be possible to give without disturbing the pre-take-over period and post-take-over of management period.

In case workers' dues alone, among the liabilities of the pre-take-over of manage-

ment period, are assumed by the Central Government in preference to other liabilities including those of secured creditors, this would be discriminatory and put to risk the relevant provisions of the Act in the Courts. It may also be clarified that in respect of employees whose services were transferred to the NTC or its subsidiaries after nationalisation, the entire period of their service will be taken into account for determination of the amount of gratuity and pension payable to them.

Most of the sick textile mills were either already closed down or facing imminent closure. By stepping into the shoes of previous employers, the Government have given assured employment to about 1,60,000 workers, most of whom would have been out of jobs. It is however, difficult for Government to assume all the liabilities in respect of employees' dues for the period before the Government took over the management of mills.

Sir, realising the importance of rehabilitating these units as expeditiously as possible modernisation schemes were formulated as early as in 1970 for a few units. The stress laid in the beginning was to have a phased programme for each unit in such a manner that the return on the capital invested could be as quick as possible. The implementation of the modernisation scheme has definitely improved the working of the units which is revealed by the fact that as against a meagre profit of Rs. 1.38 crores earned by these mills in 1972-73 the profit went up to Rs. 18 crores estimated during the year 1973-74. Although it is conceded that a part of the profits generated is also due to better trade conditions the increase in profitability from a level of Rs. 1.38 crores to Rs. 18 crores, approximately 14 times, is definitely an indication of the improvement achieved due to the implementation of the renovation and modernisation schemes. Sir, up to date, out of the 97 running units modernisation programmes have been formulated for 87 units at a cost of Rs. 54 crores. Out of this, Rs. 10 crores of machines have been

procured and installed up to the end of June, 1974 and Rs. 12 crores are expected to be installed shortly. Further, it is also proposed to expand about 42 units during the Fifth Five Year Plan to bring each of these to a viable level of 25,000 spindles. Thus it has been broadly estimated that the expansion and balancing of the units' and modernisation would involve an outlay of approximately Rs. 156 crores. In the expansion programme, 4 lakh spindles and 4,000 looms are envisaged. It is expected that with the implementation of these programmes the turn-over will increase from a level of Rs. 243 crores in the year 1973-74 to a level of Rs. 350 crores.

SHRI A. G. KULKARNI (Maharashtra) : I just wanted a clarification. Sir, the Minister was giving some information about the profitability and the money spent on modernisation. I just made out yesterday a point about the propitious circumstances in which the cotton prices were depressed and there was an abnormal increase in cloth prices because of inflation. The Minister and his Ministry should not bask under an illusion that always the position will be like this. So, you are again saying that so much was the investment and so much was the profit. Would you indicate now, what is per spindle efficiency achieved during the last year as compared to the last three years, what is the production of looms and what is the increase during the same period and also what is the total turn-out per loom and the total profits earned per loom and how they are comparing during the last three years ? You give these figures, we will be satisfied.

SHRI B. P. MAURYA : The hon. Member, Shri Kulkarni, no doubt is an expert in this field . . .

SHRI A. G. KULKARNI : Expert or no expert, such parrot-like slogans are not going to solve the economic problems of the country. You just give a reply, that will do.

SHRI B. P. MAURYA : Sir, the hon. Member, Shri Kulkarni, is an expert in this field and I am just a beginner but as a layman I can understand how 14-times profit could be there. Five times, six times, eight times or nine times it can be because of the reasons given by you but at least you should accept four-times or five times due to the efficiency. That is what I was saying.

*(Interruptions)*

Though the prime concern of the Government was to bring these limping units to a reasonable level of production in the last 3-4 years, the Government mills also took upon themselves the task of contributing their mite in the export field as well.

Having started with the modest performance of approximately Rs. 3.8 crores export in 1971, it was gradually increased to Rs. 8.7 crores in 1972 and Rs. 22 crores in 1973. In the year 1973 the total exports worked out to 13 per cent of the total production in only 58 composite units. A good portion of the exports done during these years by the Government mills also included exports to the USSR under the cotton conversion deal which the private sector was very reluctant to take up. During 1974 between January and September, in spite of the adverse conditions in the international market, the Government mills have exported cloth to the extent of Rs. 9 crores.

Hon. Members Shri Lokanath Misra, Shri Kulkarni, Dr. Alva and other hon. Members have raised certain important policy issues which relate to management of the textile industry as a whole. Hon. Members have thrown light on the large-scale import of long-staple cotton, crashing of cotton prices to the detriment of growers and failure of the Cotton Corporation of India to buy cotton to support prices, stricter measures for the enforcement of controlled cloth obligations, reduction in the varieties of cloth manufactured, so that a few cheap varieties are available in abundance for distribution to masses, and gearing up the distribution system to

[Shri B. P. Maurya]

make cheaper cloth available for mass consumption. Strictly speaking, these matters are not connected with the Sick Textile Undertakings (Nationalisation) Bill under consideration in the House. However, I would like to assure the hon. Members that their valuable suggestions would be forwarded to the Ministry of Commerce for appropriate action.

Several hon. Members stressed the need for labour participation in management of the textile mills. It is a controversial matter and is under the consideration of Government at the highest level as a policy issue. This matter is not only related to the textile industry, but to the entire industry at large.

Another issue of a general nature, which came up during the discussions, pertains to the uniform application of labour laws to sick textile mills, irrespective of the States they may be situated in. This question falls within the province of the Ministry of Labour. Anyhow, it will be very difficult for me to make any statement in this regard.

Hon. Members expressed their concern on the performance of NTC mills in regard to fulfilment of controlled cloth obligations. In order to subserve the interests of the weaker sections of the community and to make available different varieties of controlled cloth at prices fixed by Government, the undertakings under the NTC have been scrupulously fulfilling the obligations imposed upon them by Government in the matter of production of controlled cloth. Since the introduction of the controlled cloth obligation in June, 1971 up to August, 1974 against the obligation of 330 million square metres of controlled cloth, these Government-managed mills packed 378 million square metres. During 1974 up to August against an obligation of 98 million square metres controlled cloth, 126 million square metres have been packed.

Some hon. Members had adversely commented upon the organisation and per-

sonnel of the National Textile Corporation. In this connection, I would like to mention before this House that we have dedicated, conscientious and honest officers in the National Textile Corporation, who have the interest of the organisation at heart. However, we are not complacent in the matter. We would be continuously attempting to improve the efficiency of the officers and staff of the National Textile Corporation. Any shortcomings and deficiencies would be attended to and corrected as soon as they come to notice.

With these words, Sir, I beg to move that the Bill be passed.

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR) : I shall first put the Resolution to vote. The question is :

"That this House disapproves the sick Textile Undertakings (Nationalisation) Ordinance, 1974 (No. 12 of 1974) promulgated by the President on the 21st September, 1974."

I think the 'Noes' have it.

SHRI B. P. MAURYA : Ayes have it.

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR) : This is the Resolution about disapproval.

SHRI B. P. MAURYA : I was saying about our motion that 'Ayes have it'.

(Interruptions)

SHRI LAL K. ADVANI : Sir, for the first time, I find that the Government is responsive to the wishes of the House.

SHRI B. P. MAURYA : In the concluding paragraph, I have said that I beg to move that the Bill be passed. For that I am saying 'Ayes have it.'

SHRI LAL K. ADVANI : The Chair put the resolution to vote. You have said, "Ayes have it."

SHRI B. P. MAURYA : So far as we are concerned . . .

(Interruptions)

SHRI LAL K. ADVANI: I am deeply grateful.

SHRI S. S. MARISWAMY (Tamil Nadu): Three cheers we give to him.

श्री राजनारायण : श्रीमन्, जो सही है उसको आप एनाउंस कीजिये ।

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR): They object.

श्री लाल आडवाणी : अगर मंत्री जी कहें कि मुझसे गलती हो गई है तो उनको मैं स्मरण दिलाता हूँ कि कभी-कभी ऐसी गलतियाँ भी मधुर होती हैं ।

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR): The Minister misunderstood it. I think it is a genuine mistake.

श्री नागेश्वर प्रसाद शाही (उत्तर प्रदेश) : हमारा खयाल यह है कि अपोजिशन भी यह नहीं चाहता है कि यह बिल गिर जाए और पास न हो । अपोजिशन के लोग भी इसके विरुद्ध नहीं हैं ।

DR. K. MATHEW KURIAN: When the ruling party says 'Ayes have it', how can the Chair say otherwise ?

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR): I put it to vote again.

SHRI A. G. KULKARNI: Have a division.

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR): There is a misunderstanding on the Government's side and this created all this. The Chair did not declare it passed.

श्री नागेश्वर प्रसाद शाही : श्रीमन्, दोबारा वॉटिंग लीजिए ।

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR): Now, I again put it to vote. Those in favour will please say 'Ayes have it'.

SHRI B. P. MAURYA: In favour of what ?

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR): In favour of the disapproval of the Ordinance. Understand it again and say 'yes' or 'no' clearly.

The question is :

"That this House disapproves the Sick Textile Undertakings (Nationalisation) Ordinance, 1974 (No. 12 of 1974) promulgated by the President on the 21st September, 1974."

*The motion was negatived.*

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR): I shall now put the motion to vote.

The question is:

"That the Bill to provide for the acquisition and transfer of the sick textile undertakings, and the right, title and interest of the owners in respect of the sick textile undertakings specified in the First Schedule with a view to reorganising and rehabilitating such sick textile undertakings so as to subserve the interests of the general public by the augmentation of the production and distribution, at fair prices, of different varieties of cloth and yarn, and for matters connected therewith or incidental thereto, as passed by the Lok Sabha, be taken into consideration."

*The motion was adopted.*

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR): We shall now take up clause-by-clause consideration of the Bill.

*Clauses 2 to 4 were added to the Bill.*

*Clause 5 (Owner to be liable for certain prior liabilities)*

SHRI S. G. SARDESAI: Sir, I move:

1. "That at page 5, line 2, after the word 'period' the words 'prior to or' be inserted."

[Shri S. G. Sardesai]

2. "That at page 5, after line 3, the following be inserted, namely :—

'(d) such amounts as may have been paid from the provident fund by workers as loans to the sick undertaking at any period prior to or after the management of such undertaking had been taken over by the Central Government,'

'(e) such amounts as may have been paid by small depositors as fixed deposits to the sick undertaking in any period prior to the taking over by the Central Government.'"

3. "That at page 5, line 19, after the words, brackets and figures 'in sub-section (2)' the words 'save and except such awards or decrees in respect of demands of the employees' be inserted."

*The questions were put and the motions were negatived.*

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR) : Now, the question is:

"That clause 5 stand part of the Bill."

*The motion was adopted.*

*Clause 5 was added to the Bill.*

*Clause 6 (National Textile Corporation to form subsidiary corporations)*

SHRI A. G. KULKARNI (Maharashtra) : Sir, I move:

4. "That at page 5, line 36, after the figure '1956' the words 'or promote co-operatives of Workers or Consumers' be inserted."

5. "That at page 5, line 39, after the word 'Corporation' the words 'or to Co-operative Societies of Workers or Consumers' be inserted."

*The questions were proposed.*

SHRI A. G. KULKARNI: Sir, I only want some clarification from the hon. Min-

ister on this. Yesterday in my main speech I mentioned about this. The hon. Minister has said that subsidiary corporations are going to be formed. I only request the Government to consider that along with subsidiary corporations, there are various possibilities of forming co-operatives of workers as well as consumers, particularly in regard to handlooms and powerlooms, round about these sick mills. Mr. Maurya, as I said yesterday, the running of these 103 mills is not a joke. If, according to your own social philosophy, the workers are involved, the consumers are involved and particularly the weaker section of handlooms and powerlooms, the Government will to that extent get the benefit. I only want the Minister to give us an assurance that he will consider it. That is all.

SHRI B. P. MAURYA : Sir, as I submitted in my reply, when we want to have a uniform pattern throughout the country, this idea of, co-operatives cannot be accepted. There was another fear shown by the hon. Member at that time that in the name of the NTC and subsidiary corporations, too much of centralisation will be there. But that is not a fact. These subsidiary corporations will be having the representatives of the States and the States will be sharing the management to that extent. (*Interruption*). So far as this amendment is concerned, relating to the co-operatives, there is no such provision and this amendment cannot be accepted in the interest of uniformity.

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR) : Mr. Kulkarni, are you withdrawing your amendments?

SHRI A. G. KULKARNI : Yes, I am withdrawing.

*\*Amendments 4 and 5 were, by leave, withdrawn.*

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR) : Now, the question is:

*\*For text of the amendments vide cols. 223 supra.*

4 P.M.

"That clause 6 stand part of the Bill."

The motion was adopted.

Clause 6 was added to the Bill.

Clause 7 was added to the Bill.

Clause 8 (Payment of amount to owners of sick textile undertakings).

SHRI S. G. SARDESAI: Sir, I beg to move:

7. "That at page 6, line 36, after the words 'equal to' the words 'one fourth of' be inserted."

My amendment is that the compensation which is being given under Schedule I should be reduced by three-fourths.

SHRI B. P. MAURYA: I have already submitted that hardly any amount will go to the owners of the sick mills. To make it one-fourth will not at all be reasonable.

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR): The question is:

7. "That at page 6, line 36, after the words 'equal to' the words 'one fourth of' be inserted."

The motion was negatived.

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR): The question is:

"That clause 8 stand part of the Bill."

The motion was adopted.

Clause 8 was added to the Bill.

Clause 9 was added to the Bill.

Clauses 10 to 12 were added to the Bill.

Clause 13 (Accounts)

SHRI DEORAO PATIL: I beg to move:

10. "That at page 8, line 30, after the word and figures 'Act, 1956' the

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words 'and shall publish the cost audit report of sick textile undertakings' be inserted."

यह जो संशोधन है यह बड़े महत्व का संशोधन है और मेरा ख्याल है कि सरकार इसका स्वाकार करेगी और इसको स्वाकार करने में सरकार को कोई दिक्कत नहीं होगी। आज तक तो यह कहा जाता रहा है कि कपड़ा मिलों के मालिक कपड़े के दाम बढ़ा रहे हैं और दूसरी तरफ किसान की तरफ से यह कहा जाता है कि कपास के दाम बहुत कम दिये जा रहे हैं। इसके साथ-साथ मजदूरों की तरफ से भी कहा जाता है कि उनको उचित मजदूरी नहीं दी जाती है। अब सरकार ने इन 103 मिलों का राष्ट्रीयकरण किया है और मैं समझता हूँ कि सरकार ने एक बहुत बड़ी जिम्मेदारी अपने ऊपर ली है। हम अब आशा करते हैं कि जो काम प्राइवेट मिलें नहीं करती थी वह काम सरकार करेगी। इस चेंबर में यह लिखा गया है कि एकाउन्ट रेवेन्यू की जिम्मेदारी उन्होंने अपने ऊपर ली है। मेरा कहना यह है कि उनके लिए यह जरूरी होना चाहिए कि कॉस्ट ऑडिट रिपोर्ट भी प्रकाशित करें। मेरा ख्याल है कि इसमें किसी प्रकार की दिक्कत का कोई सवाल नहीं है। इंडस्ट्री मंत्रालय के मंत्री श्री पें ने भी यह सुझाव दिया है और श्री गोखले साहब ने भी रविवार को एक स्टेटमेंट दिया है, जिसमें इस प्रकार की बात कही गई है। मैंने भी इस बारे में राज्य-सभा में एक प्रश्न दिया था। स्टार्ड क्वेश्चन नं. 678 में यह कहा गया था —

Inquiry into the cost of production of textile industries.

इसका रिप्लाइ यह दिया गया—

Government is considering the suggestion.

यह सब ध्यान में रखते हुए मैंने संशोधन दिया है क्योंकि कपड़ा मिल द्वारा उत्पादित वस्त्र की कीमत पर कॉस्ट ऑडिट की रिपोर्ट

के नियम अभी तक नहीं लागू किये गए हैं। इन्स्टीट्यूट आफ कॉस्ट्स एंड वर्क्स अकाउन्ट्स आफ इंडिया ने भी कई बार सरकार को सलाह दी है और इसलिए मैं चाहता हूँ मेरा अमेन्डमेंट जो बहुत महत्वपूर्ण है इसको स्वीकार किया जाए कि कॉस्ट ऑडिट रिपोर्ट उसके साथ रखें। अगर हम एक राष्ट्रीय निगम के साथ इस प्रकार की अपेक्षा नहीं कर सकते तो फिर प्राइवेट औनर्स से या प्राइवेट मिल-मालिकों से कैसे हम उम्मीद कर सकते हैं। इसलिए मेरा ख्याल है कि मेरा अमेन्डमेंट, जो मैं समझता हूँ बहुत महत्वपूर्ण है, उसको सरकार एक्सेप्ट करेगी।

**SHRI B. P. MAURYA :** Sir, this amendment of the honourable Member proposes that the NTC should publish the cost audit report of the sick textile undertakings. Sir, this is outside the purview of the provisions of the Companies Act, 1956, and I am sorry to mention, Sir, that it cannot be accepted.

**SHRI DEORAO PATIL :** I would like to withdraw the amendment then.

\*The amendment 10 was, by leave, withdrawn.

**THE VICE-CHAIRMAN :** The question is:

"That Clause 13 stand part of the Bill."

*The motion was adopted.*

*Clause 13 was added to the Bill.*

*Clauses 14 to 26 were added to the Bill.*

*Clause 27 (Assumption of liability)*

**SHRI S. G. SARDESAI :** Sir, I beg to move:

11. "That at page 14, line 29, after the word and figure 'Category I' the words and figures 'and Category III' be inserted."

\*For text of the amendment vide col. 225 & 226 *supra*

Sir, the honourable Minister just now attempted to give us a very long explanation about what he means by the two pillars and the basic differences which they have made to the question of the liability of the post-take-over period and the liabilities of the pre-take-over period. I do really want to understand one thing. If you want to argue as a lawyer, I do not see how such a distinction can be made at all, because, so far as the ownership of the mills was concerned, up to the appointed day, the ownership rested with the original owners. So, where certain loans have been given to the original owners before the take-over or after the take-over but before the appointed day, so far as the liabilities are concerned, I do not think you can make a distinction between the two. But there you are bringing in the other arguments. So far as the post-take-over period loans are concerned, the Government has stood the guarantee saying that it was meant for such and such purpose and that was why you wanted to give them the priority. I think you cannot have it both ways. If your argument is purely legal, I do not think that it can stand at all and your argument cannot stand at all because the legal ownership continued with the original owners right up to the appointed day and where the loans were taken prior to that or after that, so far as the question of claims is concerned, legally, I do not think, it can be maintained. But I do want the distinction to be made and that is why I am saying that just as you have added the point of post-take-over liabilities, that is, if the assets, the compensation money, cannot meet them, then the Government takes the responsibility, I also want to deal with the pre-take-over wages and that is my amendment and I am pressing it. You cannot eat the cake and have it too.

*The question was proposed.*

**SHRI B. P. MAURYA :** Sir, I have tried my level best to explain this position. I have been submitting, Sir ... (*Interruptions*).

श्री राजनारायण : जो ला पोइन्ट इन्होंने उठाया है उसका जवाब दीजिए।

SHRI S. G. SARDESAI: You cannot make a distinction whether it is pre-take-over period or post-take-over. I do not agree with you. A lawyer can argue like that. .

श्री राजनारायण : जब तक ऑनरीशप 'अ' के पास हैं तब तक वह माना जायेगा या नहीं ? आप कहते हैं कि 'ब' के पास हैं।

SHRI B. P. MAURYA: Let me reply... (*Interruptions*). If the hon. Members have got the patience, I would like to clarify this situation again, though I have already taken most of the time in clarifying this position.

The main structure of this Bill is that we have divided the liabilities in between the pre-take-over and post-take-over periods. I have been submitting that if we choose any of the liabilities or dues of pre-take-over period and leave the other dues behind, in that case it may be declared discriminatory. So...

DR. K. MATHEW KURIAN: But I am not sure. It may be. Why do you assume that it will be ?

SHRI B. P. MAURYA: You know English more than I do. Sometimes 'may' is much stronger than 'must'. During the post-take-over period, either they are loans advanced by the Central Government or the State Governments, or they are the amounts given by the National Textile Corporation or the State Textile Corporations or they are the wages, salaries and other dues of the workers, they all are owned, irrespective of making any distinction under sub-clause (2) of clause 5 by the Central Government, and consequently by the NTC. So far as the pre-take-over period is concerned, either they are loans or they are dues of the workers, they are put in the pre-take-over period. The maximum that we can do is to give them top priority in part B of Schedule II, and we have put

them in category 3; others are in category 4, 5 and 6.

Now, the hon. Member's argument, Shri Sardesai's argument, so far as I could understand, is: You are making this artificial distinction. This is your argument as I can understand it, that this pre-take-over and post-take-over is artificial and that a distinction is being made by the Government to suit the Government. This is your argument. Now...

SHRI S. G. SARDESAI: Legally it won't stand. I am not against it. But legally it won't stand. I want a distinction to be made also in favour of the workers. But the way you are doing it and defending it is, I am afraid, shows that your law is very bad...

SHRI B. P. MAURYA: That's why I am here ... (*Interruptions*).

My submission is that about the two periods, they are separate. After the Government came into the picture, after the NTC came into the picture, we are sitting as responsible managers, who are taking the liability to themselves, whatever loans are due, including provident fund, advances, and so on. We take that responsibility. According to you we should make ourselves responsible for those who had been playing fraud. That is my submission... (*Interruptions*).

SHRI D. THENGARI: If the hon. Minister's contention is accepted, then the NTC should be prepared to abandon the claim to all the loans and other governmental moneys from the 1st of April to this day when the Bill is being passed. If he is not prepared to abandon that claim, then it only means that between the claims of the Government and the claims of workers there is discrimination. That is the point.



THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR): The question is:

11. "That at page 14, line 29, after the word and figure 'Category I', the words and figures 'and Category III' be inserted.

*The motion was negatived.*

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR): The question is:

"That clause 27 stand part of the Bill."

*The motion was adopted.*

*Clause 27 was added to the Bill.*

*Clauses 28 to 40 were added to the Bill.*

*The First Schedule was added to the Bill.*

*The Second Schedule*

SHRI S. G. SARDESAI: Sir, I beg to move:

12. "That at page 26 after line 12, the following explanation be inserted, namely:—

'Explanation:—This shall include such loans or fixed deposits as had been advanced to sick textile undertakings by the workers from their Provident Fund'."

13. "That at page 26, line 21, after the words 'due to an employee' the words 'including such amount as have been advanced by employees from the Provident Fund either as fixed deposits or loans' be inserted."

14. "That at page 26, line 23, for the words 'Secured loans' the following be substituted, namely:—

'(a) Such amounts as have been advanced as fixed deposits by small depositors.

(b) Secured loans'."

*The questions were put and the motions were negatived.*

THE VICE-CHAIRMAN (SHRI JAGDISH PRASAD MATHUR): The question is:

"That the Second Schedule stand part of the Bill."

*The motion was adopted.*

*The Second Schedule was added to the Bill.*

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

## MESSAGE FROM THE LOK SABHA

### The Representation of the People (Amendment) Bill, 1974

SECRETARY-GENERAL: Sir, I have to report to the House the following message received from the Lok Sabha signed by the Secretary-General of the Lok Sabha:

"In accordance with the provisions of Rule 96 of the Rules of Procedure and Conduct of Business in Lok Sabha, I am directed to enclose herewith the Representation of the People (Amendment) Bill, 1974, as passed by Lok Sabha at its sitting held on the 16th December, 1974."

Sir, I lay the Bill on the Table.

## THE SICK TEXTILE UNDERTAKINGS (NATIONALISATION) BILL, 1974— *Contd.*

SHRI B. P. MAURYA: Sir, I move:

"That the Bill be passed."

*The question was proposed.*

SHRI D. THENGARI: Sir, apart from the workers' dues, I just want to seek clarification from the hon. Minister on a