

Dismantling National Tannery

[While the ruling Marxists of Bengal have been crying themselves hoarse for quite some time about those who oppose their industrial policy, they themselves are no less responsible in destroying age-old viable industrial units in the state as the story of National Tannery speaks volumes about their real intention behind the much condemned 'industrial revolution'.

Following is a slightly shortened version of a memorandum submitted by a Civil Society Initiative, Nagarik Mancha, to Sri Gopal Krishna Gandhi, Hon'ble Governor, West Bengal on 24 August, 2007, to highlight the plight of workers and employees of National Tannery Co. Ltd., now dismantled, while seeking his intervention in the matter with the hope that it can deliver justice.]

The workers and employees in this Unit [*national Tannery*] are suffering. They are being dehumanised.

Their plight is unthinkable while the State Government turns ruthlessly indifferent to them.

The State Government, which incidentally had 'taken-over' the renowned leather unit, is irresponsible. The state machinery is unresponsive. The Central Trade Unions uncaring. The civil society largely unaware.

It is not a recent event—it is a sixteen-year-old ulcer.

With the globalisation-powered juggernaut on the track thousands of workers are dying and lakhs suffering—away from the spotlight of publicity. National Tannery is one such glaring case.

They don't ask for what they don't deserve. They have lost their dreams, their aspirations and their earning capacity.

These workers really needed the Government to be by their sides when they were in such dire straits! However unimaginably, in their case the 'lawmakers' have turned hostile 'lawbreakers' and truly the workers are up against the wall with almost no one by their side.

BEFORE 'TAKE OVER'

1. National Tannery was set up at Calcutta (now Kolkata) in 1905.
2. The two doyens of Indian nationalism—Acharya Prafulla Chandra Ray and Dr Nil Ratan Sarkar—took lead roles to establish it.
3. Interestingly, Mohandas Karamchand Gandhi visited National Tannery and with keen interest saw the process of manufacturing chrome leather.
4. The Company flourished in the mid-1950s under the stewardship of Sanjay Sen, a West Bengal based industrialist.
5. Products of National Tannery earned reputation worldwide.
6. Other than the Bata India Ltd, National Tannery was the only factory in Eastern India, which had a footwear division, established in 1969.
7. The Company started turning sick from early '70's owing to lack of initiative of the management and alleged financial irregularities— there was no 'proverbial' labour unrest or dearth of market whatsoever.
8. In 1974 IRCI (later known as IRBI and presently IIBI) made some investments in National Tannery.
9. In May 1983, IRBI took over the management of National Tannery.
10. However in 1985 IRBI dissolved the Board of Management and virtually abandoned the Company.
11. The last full-time Chairman, J G Kumaramangalam, formerly Chairman, Coal India, agreed to act as part-time Chairman on being requested by the West Bengal Government.

12. National Tannery then, survived only on job work. Bata was the main customer. National Tannery made 'North Star', 'Quo Vadis' and other value-adding products for Bata. Leather and chemicals were supplied by Bata, and for each finished pair of 'North Star' shoe, National Tannery got Rs 9.50.
13. The State Government declared National Tannery as a 'relief undertaking' to insulate the sick company from the creditors who were thus prevented from going into legal action. Workers did not get even half their legitimate wages.
14. During late eighties, the State Trading Corporation (STC) proposed to set up a production unit at National Tannery. Strangely the State Finance Minister refused to grant an appointment to the Chairman of STC.
15. The National Tannery was referred to the Board for Industrial and Financial Reconstruction in 1989. The BIFR, in the absence of any rehabilitation scheme, put it up for liquidation.
16. On 10 July 1990 High Court ordered the sale of the Company as a 'going concern'. A Committee of Management consisting of 5 workers' representatives (2 from CITU, 2 from INTUC and 1 from officers' association) was formed under the Official Liquidator to run the Company till the auction. The Chairman was the General Secretary of the CITU-led union.
17. Union election had not taken place and self-proclaimed leaders had seized union leadership and committee of management posts. Employees/workers did not get even Rs.300-400 per month. Despite repeated protests and deputations to the Labour Minister about widespread irregularities, there were no results.
18. Ultimately the workers went to Calcutta High Court against the Committee of Management making various allegations of corruption, non-payment of wages, default of PF deposits, etc.
19. The High Court ordered an enquiry and appointed a Special Officer.
20. As a matter of revenge, the canteen was closed without any notice and wages/salaries stopped. During the ten-month period workers did not get their wages for 7 months. 5 machines of the Footwear Division were also removed. Customers of the company for job work were asked to remove their materials.
21. In May 1991, the five-man body pasted a notice at the factory, declaring lockout. This was the first instance when two labour unions (CITU and INTUC) had shut down any establishment.
22. On 12 September 1991, the High Court ordered that the canteen should be reopened; work to be started; salary should be paid from February to August; all machines removed from the factory should be returned and reinstalled; and Rs.8 lakhs (which was revealed to be missing as per the account presented by the Special Officer to the High Court) should be given to the employees to partially offset wage/salary dues. However none of these orders were obeyed.

AFTER 'TAKE OVER'

1. The State Government submitted that it was prepared to take-over National Tannery for Rs. 50 lakhs in response to the auction notice issued by the High Court, on 11 March 1991. The Court, however, was unwilling since the price was 'exceptionally low' as compared to reserved price of Rs 1.76 crores. The State Government submitted that it would purchase National Tannery as 'a going concern', agreeing to take over the responsibility of paying workers' dues (amounting to nearly Rs 3.5 crores by conservative estimates) in consultation with workers. Workers of NT who were present appealed to the High Court to accept the LF Government's proposal.
2. On 18 September 1991 the High Court passed an order, directing sale of National Tannery in favour of the West Bengal Government at a cost of Rs.50 lakhs and

- further directed the Government to settle outstanding dues in consultation with the workers.
3. The State Government paid Rs 5 lakhs as the first instalment and Rs 10 lakhs thereafter. But then it stopped paying instalments. Consequently the Official Liquidator moved the High Court for forfeiture of Rs 15 lakhs. It was only then that the advocate-on-record for the State appeared before the High Court, seeking time to pay the remaining Rs 35 lakhs.
 4. The State Government took over National Tannery in November 1992.
 5. In March 1994, the West Bengal Finance Minister stated in the 'Economic Review' that "National Tannery has been acquired by the State Government".
 6. In response to a petition by the workers, the High Court instructed the State Government on 7 September 1994 to give 15 lakhs to the workers of NT. Since then, till date, besides the 50 lakhs it had invested initially, the State Government has paid Rs 3500 to each worker incurring another 15 lakhs only in the process.
 7. The same High Court order stated that the State Government had informed that, on its own or through its representative, it was keen to reopen National Tannery as soon as possible.
 8. On 10 November 1994 the Government again informed High Court that the factory would be reopened soon.
 9. In response to a deputation of the workers on 18 November 1994, the Chief Minister iterated that-'Department of Industrial Reconstruction will look into the matter and place its report within 7 days'.
 10. During 1996 the State Government, calling on promoters interested to run National Tannery to respond, inserted advertisements in 'The Statesman' and 'San-marg'.
 11. Minister-in-Charge of the Department of Industrial Reconstruction stated in his Budget Speech of 1996-97, that "...State Government has recently bought the assets of National Tannery from the Official Liquidator and steps have been taken to reopen it shortly..."
 12. On 10 November 1999 the State Government stated at the High Court that the workers have been paid a total of Rs 15 lakhs (Rs 3500 per head) and that National Tannery would reopen shortly.
 13. The National Tannery Sramik Union submitted before the High Court on 4 July 2003 "...that the workers have now found out an entrepreneur named Basanta Saha, [owner of Amicos (India)] who is ready and willing to pay a sum of Rs 1.76 crores for the assets in addition to Rs 65 lakhs by way of total workers dues..." The State Advocate General responded saying, "...tannery unit was located in a congested area. Hence, the said tannery, despite sincere efforts of the State Government cannot be reopened at the place where it is situated..."
 14. With the operation of tanneries being specifically prohibited in this area beyond February 2002, as per Supreme Court order, State Government proposed before the Hon'ble High Court that the assets of this unit be allowed to be utilized in an environment friendly industrial unit to be setup by a resourceful entrepreneur / business house duly selected by State Government.
 15. It is evident from the dictated High Court order of 4 July 2003 that the State Government submitted to the High Court in writing on 3 July that a *Garments Park* (in the Joint Sector) would be set up at the National Tannery premise and that the government was "agreeable to absorb all the workers who are fit and eligible to work in such Joint Venture Project... [and] also agreeable to compensate those workers who may be found not capable of being absorbed on health grounds or otherwise."
 16. In a Government document dated 15 March 2004 it was stated that "...all the movable and immovable assets at the premises of erstwhile National Tannery Co.

- Ltd. be transferred inter-departmentally on 'as is where is' basis from the Industrial Reconstruction Department to the Commerce & Industries Department for its appropriate utilization, keeping the commitments made by the Government of West Bengal to the High Court ..." on 4 July 2003 (mentioned at 15).
17. National Tannery had freehold land measuring 7 acres and leasehold lands measuring 4 acres, the current market value of which is conservatively estimated to be around Rs 50 crores.
 18. On 15 December 2004 the machines, sheds and equipments of National Tannery were dismantled, carried away or broken down. One of the machines, thus taken away, was sold at over Rs 1.2 crores, according to a very reliable source. The dismantling of National Tannery started without intimation or compensation to the workers who witnessed this unprecedented scene from a distance.
 19. Work on 'Garments Park' is in progress in the premises of National Tannery since 2005.
 20. The Commerce & Industries Department, to which the entire asset of NT was transferred by Industrial Reconstruction Department in 2004, it is learnt, next sold The National Tannery land, to West Bengal Industrial Development Corporation (WBIDC) for a sum of Rs 20 crores sometime in 2005 or 2006.
 21. In a 2007 booklet Minister of Industries referred to National Tannery as 'Government of West Bengal Undertaking'.
 22. Recently the Government of West Bengal has stopped paying the monthly assistance to workers of National Tannery as per FAWLOI (Financial Assistance to Workers of Locked Out Industries) Scheme though the full and final settlement of the legal dues of the workers have not yet been made. □□□