

**Shri P. S. Naskar:** Is the reference to the State Department or the Ministry of the Government of India? It will be the responsibility of the State Governments to absorb their permanent staff and do what they like with the temporary staff. It is not the concern of the Ministry of Rehabilitation to absorb any employees of the State Rehabilitation Departments.

**Shri Vajpayee:** What about the employees of the Central Government's Rehabilitation Ministry?

**Mr. Speaker:** It will be the duty of this Government to absorb them.

**Shri Bimal Ghose:** The Deputy Minister stated that the department would be closed down as soon as the problem has been assessed. Do I understand that even before the refugees have been rehabilitated the department would be closed down simply because the problem has been assessed?

**Shri P. S. Naskar:** The residuary problem will be assessed and the residuary work will be handed over to the appropriate permanent Ministries of the Government of India. The department in West Bengal, I am told, will continue even after the Rehabilitation Ministry here is closed.

**Shri Chintamani Panigrahi:** The hon. Minister stated that money has been allotted to the Government of Orissa for carrying out the residuary works in connection with the refugees. May I know whether all the demands that the refugees have put forward have been met, and whether the Government of India are going to sanction any more amount for the benefit of these refugees in Orissa?

**Shri P. S. Naskar:** After consultation with the State Government of Orissa, a sum of Rs. 20 lakhs has been sanctioned to the State Government to solve the problem of residuary work in connection with the refugees in Orissa. As and when a further request comes for further sum, it will be considered.

**Prices of cloth**

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- Shri Rajendra Singh:
- Shri Ram Krishan Gupta:
- Shri Tangamani:
- Shri D. C. Sharma:
- Shri S. A. Mehdi:
- Shri P. G. Deb:
- Shri S. M. Banerjee:
- Shrimati Ila Palchoudhuri:
- Shri Sadhan Gupta:
- Shri P. K. Deo:
- Shri Subiman Ghose:
- Shri Harish Chandra Mathur.
- Shri Rameshwar Tantia:
- \*6. Shri Kalika Singh:
- Shri Aurobindo Ghosal:
- Shri B. Das Gupta:
- Shri Indrajit Singh:
- Shrimati Renu Chakravartty:
- Shri Punnoose:
- Shri Wodeyar:
- Shri Khimji:
- Shri Rami Reddy:
- Shri Halder:
- Shri Hem Barua:
- Shrimati Renuka Ray:
- Shri P. R. Patel:
- Shri M. M. Gandhi:

Will the Minister of Commerce and Industry be pleased to state:

(a) whether the textile industrialists have agreed to the Government's request for a further reduction in cloth prices; and

(b) if so, to what extent?

**The Minister of Commerce (Shri Kanungo):** (a) and (b). A note giving the required information is placed on the Table of the House.

**NOTE**

On Government's suggestion, the industry has readjusted the prices of cotton textiles on the basis of a formula announced by the Indian Cotton Mills Federation on 3-9-1960. Under this formula, mills are precluded from charging more than 25% for coarse, 22% for lower medium, 18% for higher medium, 11½% for fine and 9% for super-fine varieties over the August 1959 contract prices as the base. Wherever the existing contract prices were lower, the cloth would

continue to be sold at the lower prices. This represents a definite reduction from the prices announced by the Federation on 11th August 1960, which were based on the higher level of prices prevailing in October 1959.

2. The Federation has also asked the mills to stamp ex-mill and retail prices on all cloth, and this is being brought into effect. There is no doubt that the rising trend in prices has been arrested. With the coming in of the new cotton crop, Government has taken steps to ensure that cotton is made available to the mills at reasonable prices, and this is expected to bring about a further improvement in the situation.

**Shri Rajendra Singh:** From the note attached to the answer, it is apparent that Government depend for the reduction in prices of textiles, entirely on the Indian Cotton Mills Federation. May I know whether Government have relegated all their powers to the mill-owners for giving textiles at reasonable prices to the consumers?

**Mr. Speaker:** The hon. Member only wants to know whether Government have exercised independent judgment on this matter or left it to them.

**The Minister of Commerce and Industry (Shri Lal Bahadur Shastri):** Yes, we have exercised independent judgment. The hon. Member was present here when a discussion took place for about two hours in this House on this subject. I had indicated that we were going to have a discussion with the Federation and come to some decision. In accordance with that, we have had discussions and arrived at certain decisions which are known to the hon. Members and to the people.

**Shri Rajendra Singh:** May I know whether Government think that the increased rates which have been agreed upon in consultation with the Indian Cotton Mills Federation are reasonable for the consumers?

**Shri Lal Bahadur Shastri:** I had already stated that the increase made was not reasonable, but the reductions made later, although they did not satisfy me fully, were definitely substantial and were an improvement on the past reduction.

**Shrimati Renu Chakravarty:** Now that new cotton crop is coming in, and Government say that they are going to take steps to ensure that cotton is made available to the mills, and that will bring about a further improvement, may I know whether no other step is going to be taken by Government to see that this particular formula is further reduced?

**Shri Lal Bahadur Shastri:** We expect that the prices will go down when adequate quantity of cotton is available. Cotton comes generally by the end of November in the market; and it is already coming, but all the varieties come by the end of November. Therefore, it is expected that the prices will definitely go down, because cotton is the main factor.

**Shrimati Ila Palchoudhuri:** May I know whether it is not a fact that the mill-owners have objected to the retail price being stamped on the cloth, for, they fear that if it is stamped, it will go into the blackmarket? In that case, what steps will Government take to prevent its going into the blackmarket, thereby making the situation still more acute for the consumer?

**Shri Lal Bahadur Shastri:** The hon. Member is not correctly informed. The mill-owners have never objected to the stamping of the cloth. In fact, it is already being done.

**Pandit D. N. Tiwari:** May I know whether instances have come to the notice of Government where the prices stamped on the cloth are higher than what they should be, and this has been reported in the press also?

**Shri Lal Bahadur Shastri:** No, as far as I am aware, that is not correct.

**Shri Rami Reddy:** May I know whether Government are aware that the wholesalers and retailers are

possessed of huge stocks even before the mills have decided to stamp the prices on the cloth, and if so, whether they are disposing of the stocks in the blackmarket, and if that is correct, whether Government are taking any steps to see that these stocks are sold at the stamped prices?

**Shri Lal Bahadur Shastri:** No, Sir. It is true that till now, or till about a fortnight or so before, there were adequate stocks in the hands of the wholesalers, that is, stocks which were not stamped; they have been sold and they are being sold. But those stocks are now coming to an end, and already the stamped cloth is being sold in the open market.

**Shri Tyagi:** Will this reduction of price be effective only on cloth meant for internal consumption, or also on that cloth which is exported, because we are meeting quite a sharp competition from outside?

**Shri Kanungo:** Export prices cannot be controlled by us; they depend upon the international prices. There is no question of stamping there; it is a question of negotiations and contracts.

**Shri Tyagi:** I did not mean stamping. I wanted to know the rate of reduction agreed to.

**Shri Kanungo:** Obviously, our internal prices are higher, and the international export prices are lower; and certain varieties are moving at lower prices for export, because the cess and other factors are not counted there.

**Shri Tangamani:** May I know whether Government will request the Indian Cotton Mills Federation to reduce the prevailing prices which are normally 25 per cent. more than the prices in existence in August, 1959? May I also know what steps the South Indian mill-owners have taken in this matter, not only regarding coarse cloth but also regarding coarse yarn?

**Shri Lal Bahadur Shastri:** Almost all the South Indian mills have accepted the formula proposed or agreed to by the Federation. There are a few mills—I do not know the exact number—about three or four miles, I think, which have not accepted that, and the Cotton Mills Federation is dealing with them. In case they do not agree to accept these proposals, we shall consider what steps should be taken in that regard. As regards yarn, the decision of the Cotton Mills Federation has been accepted by almost all the mills.

**Shri Braj Raj Singh:** The Minister has expressed the hope that after the coming in of the new cotton crop, the prices of cloth may go down. May I know whether Government are going to take any concrete steps to compel the millowners to reduce the prices when the cotton crop comes in in the market?

**Shri Lal Bahadur Shastri:** Well, we shall compel; of course, compulsion means introduction of control and rationing. I might inform the House that we are already considering over that matter. But if the situation improves on account of adequate quantity of cotton being available, the question of introduction of control or rationing may not arise at all.

**Shri Braj Raj Singh:** On a point of clarification. In the discussion which was held earlier in this House, to which the hon. Minister has just now referred, he said that apart from rationing and control, there were so many other powers in the armoury of Government to compel the millowners to abide by their wishes. May I know what has happened to those powers which are there lying in the armoury of Government, other than rationing and control?

**Shri Lal Bahadur Shastri:** Probably, the hon. Member has forgotten what I had said during the last discussion. Anyhow, as I said, so far as the availability of cotton is concerned, we have taken definite measures and we have got powers now to requisition cotton in order to supply cotton to the

textile mills. That step, I am sure, will prove, and has already proved, sufficiently effective. Hon. Members have to wait unless they want Government to take some measures immediately. If hon. Members so want it, I personally cannot agree to it, because the time factor is so small; the end of November is not far off. And we may prepare ourselves and take necessary action in case the prices do not come down, say, some time in the month of December.

**Shri Sinhasan Singh:** I would like to draw the attention of the hon. Minister to a statement made by Shri T. T. Krishnamachari when he was Finance Minister while enhancing the excise duty, to the effect that that duty did not necessarily fall entirely on the consumer. He said that part of it would be borne by the millowners, part by the middlemen and the rest would be paid by the consumer. Now the prices have been marked on the cloth and the excise duty is separately marked on every piece and is being charged to the consumer direct in full. May I know whether Government are considering taking any steps to see that the excise duty is shared equally by all the parties?

**Shri Kanungo:** The excise duty is included in the price which is stamped.

**Shri Sinhasan Singh:** No, no. It is separately marked and the consumer has to pay it in full.

**Mr. Speaker:** Let us not argue about it. I allowed a two-hour discussion on this subject last time. Therefore, no more discussion or supplementaries will be allowed.

**Shri Tvaḡi:** With a view to effect a substantial reduction in the price of cloth, have Government examined the feasibility of the device of automation and rationalisation in the industry?

**Shri Lal Bahadur Shastri:** That is a bigger question. We have already allowed automatic looms to a number of mills. But I am sorry that all the allotments made so far have not been

fully utilised; only some of the mills have already utilised those allotments.

I might only add that the position in regard to prices of cloth has definitely eased. It is much better now. The rise has been arrested and in the case of fine and superfine cloth, the price has definitely gone down; as regards the coarse and medium varieties, it is reported—but I do not want to say it categorically—that the position is much better. It is slightly better than what it was before.

**Mr. Speaker:** Hon. Members have heard the hon. Minister say that by the end of this month, the matter will settle down. If it is not so, we will still carry on till about the 22nd of December or so. Then I will certainly allow an opportunity to ask questions to clarify these matters or bring it up in any other form in this House, if nothing happens by the end of this month.

#### Integration of Dadra and Nagar Haveli

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| *7. {                | Shri Shree Narayan Das:   |
|                      | Shri Radha Raman:         |
|                      | Shri D. C. Sharma:        |
|                      | Shri Nardeo Snatak:       |
|                      | Shrimati Ha Pa'choudhuri: |
|                      | Shri Subhman Ghose:       |
|                      | Shri Rameshwar Tantla:    |
|                      | Dr. Ram Subhag Singh:     |
|                      | Shri Ait Singh Sarhadl:   |
|                      | Shri B. Das Gunta:        |
|                      | Shri Aurobindo Ghosal:    |
|                      | Shri Jaanatha Rao:        |
|                      | Shri Kodivan:             |
|                      | Shri Wodeyar:             |
| Shri Achar:          |                           |
| Shri Assar:          |                           |
| Shri Hem Barua:      |                           |
| Pandit D. N. Tiwari: |                           |

Will the Prime Minister be pleased to state:

(a) whether the question of integration of the liberated enclaves of Dadra and Nagar Haveli with the Indian Union has since been considered by the Government; and