

## UNLIFTED CLOTH QUOTAS

\*9. **Shri B. K. Das:** Will the Minister of Commerce and Industry be pleased to state:

(a) in which States the nominees of States had failed to lift their cloth and yarn quotas before the system of control was modified;

(b) for what periods each of those States had been defaulters and to what extent;

(c) what explanations were offered for such defaults; and

(d) what were the value and quantities (expressed in tons) of the total accumulation of cloth and yarn in the mills when the modification order was first made?

**The Minister of Commerce and Industry (Shri T. T. Krishnamachari):** (a) The nominees of all the States excepting a few rejected substantial quantities of cloth and yarn. The principal States which failed to lift cloth are Bihar, Madras, Bombay Uttar Pradesh, West Bengal, Orissa, Punjab, Mysore, Hyderabad, Delhi and Madhya Bharat and those which failed to lift yarn are Rajasthan, Bombay, Punjab, Hyderabad, Saurashtra, Bihar, West Bengal, U.P., Orissa, Travancore-Cochin and Madras.

(b) The nominees of the States failed to lift substantial quantities of cloth in the period February-March 1952 and of yarn in the period January-March 1952. The details of rejections by various States are given in the Statement placed on the Table of the House. [See Appendix I, annexure No. 3.]

(c) The following were the reasons for failure to lift cloth:

(1) The general slump in the cloth trade had affected cloth prices and the States nominees were reluctant to purchase cloth at ex-mill rates through controlled channels when mills were selling their free sale portion of cloth at less than the stamped prices.

(2) Most of the dealers had stocks of goods purchased at prices higher than those prevailing in the market and were therefore shy of making further purchases for fear of loss.

(3) Consumers' demand showed a decline in expectation of further fall in prices.

(4) Difficult credit conditions developed towards the end of February 1952.

The failure to lift yarn was for the following reasons:—

(1) General slump in the handloom cloth market due to easier availability of mill cloth.

(2) Difficulties in procuring necessary finance.

(3) General decline in the demand for yarn from consumers particularly handloom weavers.

(4) High price of yarn manufactured from foreign cotton.

(5) Anticipated reduction in prices of yarn manufactured from Indian cotton and consequent reluctance of the nominees to purchase yarn of higher price.

(d) The stock of cloth with mills was 62,887 tons valued at Rs. 4,226 lakhs and that of yarn was 14,393 tons at the end of March.

**Shri B. K. Das:** What is the modified system of distribution that has been introduced now? What is that system?

**Shri T. T. Krishnamachari:** The modification really is that mills are now permitted to sell more freely. That is the only modification that I am aware of. We have permitted them to sell freely all classes of cloth inclusive of coarse and medium, subject to their rejection by State nominees.

**Shri B. K. Das:** From the statement of the hon. Minister it appears that some States were able to lift their quotas while others failed to do so. I want to know whether the modification has been introduced in all the States uniformly.

**Shri T. T. Krishnamachari:** I do not understand what the hon. Member means. It is true that there are a few States which have lifted the stocks, but they are just a few. It is more or less a general feature. With regard to the question of modification in distribution I do not think I have made any statement with regard to that except in regard to modification of controls.

**Shri T. N. Singh:** Is it a fact that some of the mills have been insisting on the wholesalers lifting a certain proportion of superfine and fine cloth when they take their quotas of coarse and medium cloth, and has that been a deterrent to the lifting of the stocks?

**Shri T. T. Krishnamachari:** If the hon. Member will put down a question separately I shall give the answer.

**Dr. S. P. Mookerjee:** Will the hon. Minister state why it is that so many Provinces refused to lift their quotas although there was scarcity in those areas—what were the reasons given?

**Shri T. T. Krishnamachari:** If the hon. Member wants me to delve into the realms of conjecture I can do so, but having occupied this position two years back I think he is better able to do it than myself.

**Dr. Lanka Sundaram:** In view of the persistent complaints that the nominee system has given occasion to, will Government consider its total abolition and revert to distribution of cloth through normal trade channels?

**Mr. Speaker:** I am afraid this is a suggestion for action.

**Shri Radhelal Vyas:** May I know how far the import of foreign cloth affected the present position of cloth and whether Government propose to stop the import of foreign cloth?

**Shri T. T. Krishnamachari:** I am not aware of the position envisaged by premise of the question and therefore, I am not able to answer it.

**Pandit L. K. Maitra:** May I ask from the hon. Minister if he is aware that one of those important factors for non-lifting of the cloth by State nominees is that the Government of India issued an order three months back which compelled them to buy their whole cotton at a very high price and the recent price has fallen to such an extent that the previous stock cannot be sold in the market?

**Mr. Speaker:** What is the information that he wants?

**Pandit L. K. Maitra:** I want to know whether the Government is aware that this disparity in the prices is responsible for the non-lifting of cloth?

**Shri T. T. Krishnamachari:** I am sorry, I am not in a position to answer that.

#### EVACUEE PROPERTIES (VERIFICATION)

\*13. **Dr. Ram Subhag Singh:** Will the Minister of Rehabilitation be pleased to state when the verification of claims in respect of evacuee property will be completed?

**The Minister of Rehabilitation (Shri A. P. Jain):** Nearly 7 lakhs out of a total of 9 lakhs property sheets relating to urban and rural houses and plots have been verified since the Claims Organization started verification in December, 1950. Apart from this, there are 1½ lakhs property

sheets relating to agricultural lands which are being processed simultaneously. The exact time required for finishing the balance work cannot be indicated. This will depend upon the readiness of the claimants to produce evidence.

**Dr. Ram Subhag Singh:** May I know when the compensation is expected to be paid in respect of verified claims?

**Shri A. P. Jain:** We are trying to work out a scheme. It is difficult for me to fix any date.

**Jonab Amjad Ali:** May I ask if the hon. Minister can give this information State-wise?

**Shri A. P. Jain:** It cannot be given State-wise. The claims have been lumped together and that information is not available.

**Lala Achint Ram:** Do Government propose to increase the number of claims officers in order to complete the work as soon as possible?

**Shri A. P. Jain:** Any addition of more claims officers will be a waste of money and now some complex questions are left over and in fact some of the claims officers have not enough of work to do.

**Pandit Thakur Das Bhargava:** May I know what is the valuation of the claims so far verified?

**Shri A. P. Jain:** It is not in the public interest to disclose that information.

**Shri Hukam Singh:** May I know if the verification of Muslim properties is also proceeding simultaneously?

**Shri A. P. Jain:** Yes.

**Shri Hukam Singh:** How far we have progressed in that respect?

**Shri A. P. Jain:** I think out of about 2,83,000 families' properties nearly one lakh families' properties have been valued.

**Shri A. C. Guha:** May I know if the Government has got any idea whether the Pakistan Government would agree to make good for any of the property left by the refugees there?

**Shri A. P. Jain:** That point can be elicited from the Pakistan Government and not from me.

**Mr. Speaker:** What he means is whether the Government has any idea about it.

**Shri A. P. Jain:** I have no idea of what Pakistan Government is going to do.