

**ESTIMATES COMMITTEE
1964-65**

FIFTY-NINTH REPORT

(THIRD LOK SABHA)

MINISTRY OF INDUSTRY

Action taken by Government on the recommendations contained in the 162nd Report of the Estimates Committee (Second Lok Sabha) on the late Ministry of Commerce and Industry—Office of the Textile Commissioner.

(Part I)



**LOK SABHA SECRETARIAT
NEW DELHI**

May, 1964
Vaisakha, 1886 (Saka)

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ESTIMATES COMMITTEE 1964-65

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Shri Avtar Singh Rikhy—*Deputy Secretary.*

INTRODUCTION

I, the Chairman, Estimates Committee, having been authorised by the Committee, present this Fifty-ninth Report on action taken by Government on the recommendations contained in the 162nd Report of the Estimates Committee (Second Lok Sabha) on the late Ministry of Commerce and Industry—Office of the Textile Commissioner (Part I).

2. The 162nd Report of the Estimates Committee was presented to the Lok Sabha on the 26th March, 1962. Government furnished replies indicating the action taken on the recommendations contained in the Report on the 28th December, 1962.

3. Replies to the recommendations were considered by the Study Group 'D' of the Estimates Committee (1963-64) on the 30th August, 1963. Further information in respect of Government's replies to 13 recommendations was called for on the 6th September, 1963 and was received from Government on the 17th December, 1963. This was considered by the Study Group 'D' of the Estimates Committee on the 30th August, 1963. Some additional information in respect of Government's reply to one recommendation was called for on the 30th December, 1963 and received on the 1st May, 1964.

The draft report was adopted by the Committee on the 4th May, 1964.

4. The report has been divided into the following four Chapters:—

I. Report.

II. Recommendations that have been accepted by Government.

III. Recommendations which the Committee do not desire to pursue in view of the Government's reply.

IV. Recommendations in respect of which replies of Government have not been accepted by the Committee.

5. An analysis of the action taken by Government on the recommendations contained in the 162nd Report (Second Lok Sabha) of the Estimates Committee is given in the Appendix. It would be observed therefrom that out of 55 recommendations made in the Report, 42 recommendations i.e., 76·3 per cent have been accepted by Government and the Committee do not desire to pursue 2 recommendations i.e., 3·6 per cent in view of the Government's replies. Of the rest, replies of Government in respect of 11 recommendations i.e., 20·1 per cent have not been accepted by the Committee.

NEW DELHI;

May 6, 1964.

Vaisakha 16, 1886 (Saka).

ARUN CHANDRA GUHA,

Chairman,

Estimates Committee.

CHAPTER I

REPORT

Working of Textile Control Orders

The Committee in paragraph 12 of their 162nd Report (Second Lok Sabha) on the Office of the Textile Commissioner had detailed the orders issued by the Central Government in exercise of the powers conferred upon them by Section 3 of the Essential Commodities Act, 1955, with a view to maintaining or increasing supplies of cotton textiles, textile machinery, woollen and art silk textiles. The Committee had also summarised in Appendix IV of their Report the actual working of some of these Orders and observed that the implementation of some of the important control orders had not received sufficient attention from the Textile Commissioner's Organisation due to either inadequacy of staff or want of requisite and well-knit enforcing machinery. The growth of unauthorised powerlooms was a pointer in that regard.

Asked to furnish a progress report showing the implementation of each of the Textile Control Orders stating *inter alia* the details of the arrangements made for ensuring implementation of each of the Orders, Government have stated in their reply that wherever *prima facie* legal action is sustainable, the State Governments concerned are requested to launch prosecutions. The State Governments are, however, stated to be usually reluctant to launch prosecutions. In many of the cases, the State Governments are stated to have requested the Textile Commissioner to take a lenient view and to let off the parties with warnings, while in a few other cases, they are stated to have considerably delayed action.

Prima facie, it appears that in actual practice, the control orders have not been strictly enforced. As textile is one of the major industries, the Committee cannot too strongly emphasise the need for enforcing implementation of each of the Control Orders in letter and spirit.

Rationalisation of Supervisory Levels

2. In paragraph 17 of the Report, the Committee had observed that there were three different levels of officers below the rank of Textile Commissioner and above the rank of Superintendents, *viz.* Deputy Textile Commissioner/Director, Deputy Director and Assistant Director (Grades I and II). They, therefore, considered that it would be desirable to reduce the number of levels of supervisory officers.

Government have stated in their reply that Directors are putting up papers direct to the Textile Commissioners or to the Joint Textile Commissioner, where necessary. There are also Divisions in direct charge of Deputy Directors. Thus according to Government, "there are no superfluous levels".

The Committee are not convinced with the reply. They feel that the procedure of putting up papers through several tiers of supervisory officers is apt to delay disposal. They, therefore, reiterate that the number of tiers of supervisory officers should be reduced and recommend that this aspect may particularly be gone into by the Special Reorganisation Unit of the Ministry of Finance.

Advisory Bodies

3. In paragraphs 24 to 26 of the Report, the Committee had observed that the interests represented on the Cotton Textile Consultative Board were only those of the mill industry, whereas its functions were very comprehensive. The Committee had also referred to the composition and functions of the Cotton Textile Advisory Committee and endorsed a suggestion made to the Committee that it would be advantageous to have a single body to deal with problems relating to the textile industry. They had, therefore, recommended that Government might examine the feasibility of having a single representative advisory body in place of the Cotton Textile Consultative Board and Cotton Textile Advisory Committee. The Committee envisaged the setting up of an integrated advisory body on which the representatives of Cotton, Cotton Textile Industry, inclusive of Textile Labour, Handloom and Powerloom sectors and the Textile Machinery industry were duly represented. It was added that the representative of trade and consumers could also be included in that apex body with advantage. With such an arrangement, where the diverse interests are brought together in a common forum, it might be possible for such a body to discuss among other things allocation of targets of production to various sectors and to review them from time to time in the light of their performance *vis-a-vis* requirements.

The Committee are not convinced with the reply furnished by Government that the functions and purposes of the Cotton Textile Consultative Board and Cotton Textile Advisory Committee are distinct and separate and that it is desirable to retain both the bodies.

They find that while the Cotton Textile Consultative Board advises the Government on important matters concerning the industry, particularly in regard to production, distribution and exports of cotton textiles, imports and exports of raw cotton and matters relating to the procurement of raw materials, machinery and accessories required for the industry, the Cotton Textile Advisory Committee advises on any general or particular question relating to the textile industry e.g. production control, demand and supply of cloth and yarn for domestic and export purposes, rationalisation, procurement of raw materials, machinery, stores and accessories required by the industry. Thus, there is a common ground between the functions of the two bodies. In fact, a leading representative of the textile industry had stated during evidence before the Committee that instead of having numerous committees for cotton textile industry, it would be advantageous to have one committee to deal with problems of the industry.

The Committee are not convinced of the need for having two consultative bodies for cotton textiles at the Centre. They reiterate their suggestion for the setting up of a single representative advisory body in place of the existing Cotton Textile Consultative Board and Cotton Textile Advisory Committee.

Quality of Cloth and Yarn

4. In paragraph 48 of the Report, the Committee had expressed the view that since yarn was the raw material for the decentralised sector, adequate check should be exercised by the Textile Commissioner's Organisation on the quality of cotton yarn produced by the textile mills so as to ensure specified standards of quality and durability.

Government have stated in their reply that the quality and durability of yarn, produced by the mills is dependent on various factors such as the condition of the machinery, the quality of cotton and the efficiency of supervision and of labour employed in particular mills and since these factors varied from mill to mill, "it is, therefore, difficult if not impossible, to lay down specific standards" in this regard. As and when specific complaints about the quality of yarn produced by any unit of the textile industry are received from the consumers and the decentralised sectors, steps are taken by the Textile Commissioner to find out the facts about each case and to suggest remedial measures.

While the Committee take note of the facts stated by Government, they would suggest that the question of laying down standards for yarn may be examined in consultation with the Indian Standards Institution.

The Committee also consider that since "the Regional Officers are equipped with technically qualified staff who pay periodical visits to mills in their respective regions and draw samples of yarn at random", it should be possible for them to exercise adequate check on the quality of cotton yarn which is the basic material for the decentralised sector.*

Development Council for Textile Machinery.

5. In paragraph 78 of the Report, the Committee had observed that the development of the textile machinery manufacturing industry had not been given sufficient attention in the past and that there was paramount necessity of developing the industry and research relating thereto. They had recommended that a Development Council should be constituted for the textile machinery manufacturing industry at an early date.

Government in their reply have stated that the Textile machinery manufacturing industry has already passed its infant stage and capacity has been created for almost all items of textile machinery. It is, therefore, not considered necessary to have a Development Council for that industry. It is, however, added that an Advisory Committee, having representatives of the machinery manufacturers of cotton textiles (Spinning and Weaving), art silk textiles, wollen textiles components' manufacturers and of the cotton mill industry, art silk industry, woollen industry and research associations has been appointed to make recommendations to Government in regard to various problems arising from time to time.

*Reply to Question 63 received under Ministry of Commerce and Industry D.O. letter No. 17/2/61-*Tex*, dated the 7th October, 1961.

Asked to furnish a copy of the report of the Advisory Committee together with the decisions of Government thereon, they have now been informed that the Advisory Committee referred to in the earlier reply had not come into existence and that an *ad hoc* committee on textile machinery set up in 1957 continued to advise Government on various matters pertaining to the development of the indigenous textile machinery manufacturing industry.

The Committee hope that a representative Advisory Committee for the textile machinery manufacturing industry would be constituted and start functioning at an early date.

CHAPTER II

RECOMMENDATIONS THAT HAVE BEEN ACCEPTED BY GOVERNMENT

Recommendation (Serial No. 1)

It should be easily possible for the Establishment Sections of the Textile Commissioner's Office to take over the work, such as confirmation of Gazetted and non-Gazetted staff, circulation of all orders, rules and regulations affecting service conditions etc. from the Administration Section the Branch Secretariat (Paragraph 7).

REPLY OF THE GOVERNMENT

All matters pertaining to the administration of the Textile Commissioner's Office including confirmation of Gazetted and non-Gazetted staff, circulation of all orders, rules and regulations affecting the service conditions etc. have been taken over by the Establishment Sections of the Textile Commissioner's Office.

[Ministry of Commerce and Industry O. M. No. 17(2)/62/Tex(B), dated 28th December, 1962].

Recommendation (Serial No. 2)

The Committee note that despite the lapse of six years after the Organisation was made permanent, the Recruitment Rules have not been finally approved. The Committee feel that once the Rules and Regulations regarding recruitment, seniority, confirmation, channels of promotion etc. of all classes of staff are finalised, there should be no difficulty in the handling of the establishment and administrative work of a few thousand men by the Textile Commissioner's own office. In fact, it should make for expediency inasmuch as the work will be handled by those who have full background and knowledge of the working of the Organisation (Paragraph 7).

REPLY OF THE GOVERNMENT

The recruitment rules have since been finalised. The recommendation regarding the handling of the work in the Textile Commissioner's Office is accepted.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 28th December, 1962]

Recommendation (Serial No. 3)

As far as co-ordination is concerned which at present is being handled by the Branch Secretariat, the work can evidently be handled with ease by the Textile Commissioner who has a field organisa-

tion as well as a specialised section (Economics and Statistics Branch) for this work.

As regards correspondence with the main Secretariat on formulation of policy which is being handled at present by the Branch Secretariat, it can be dealt with by the existing policy sections in Cotton Branch of the Textile Commissioner's Office and the Handloom Board Secretariat respectively, while the work relating to art silk and wool could be handled by the existing Art Silk Branch and Wool Branch of the Textile Commissioner's Organisation.

Similarly, the work relating to import of machinery and raw materials being handled at present by the Branch Secretariat, could be handled by the Import Branch; for industrial licensing by the Industrial Licensing Branch and exports by the Export Promotion Branch etc. There should thus be no difficulty in devolving these functions on the Textile Commissioner's Organisation (Paragraph 9).

REPLY OF THE GOVERNMENT

The Estimates Committee's recommendations are accepted. The various policy sections are now dealing with the correspondence with the Main Secretariat on formulation of policy etc. directly.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 28th December, 1962]

Recommendation (Serial No. 7)

Even though the total figures of the cases pending disposal in the headquarters branches of the Textile Commissioner's Organisation have shown an improvement during each of the last three years, the Committee are surprised to note that the total number of cases pending disposal for over three months as on the 31st of December, 1960 has shown a marked increase in 1960 over the previous two years. (Paragraph 14).

REPLY OF THE GOVERNMENT

An Under Secretary in the Branch Secretariat has been assigned duties of O. & M. Officer. A study of the distribution of staff in the various branches of the Textile Commissioner's Office is being made. After such a study, re-organisation of the various branches, if found necessary, will be made so that arrears are not accumulated and cases are disposed of expeditiously.

[Ministry of Commerce and Industry O. M. No. 17(2)/62/Tex (B), dated 28th December, 1962].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

The total number of receipts and cases pending final disposal as on the 31st December for 1961 and 1962 may be furnished.

[Lok Sabha Secretariat O.M. No. 32(1)/62/EC, dated 6th September, 1963].

FURTHER REPLY RECEIVED FROM GOVERNMENT

The total number of receipts and cases pending final disposal (for over one month) as on 31st December, 1961 and 31st December, 1962, are as given below:—

	<i>Receipts</i>	<i>Pending Cases</i>
31-12-1961	20,13,769	130
31-12-1962	19,06,195	92

As per instructions from O. & M. Division, monthly abstract of cases pending disposal for over a month has been discontinued.

However, a statement of cases pending over a month along with reasons for delay is received every month and delays are examined and matter taken up with the concerned Branches/Sections. A consolidated statement of pending cases is also submitted to Joint Secretary.

[Ministry of Commerce and Industry O.M. No. 17 (2)/62/Tex(B), dated 22nd December, 1963]

Recommendation (Serial No. 8)

The Committee suggest that the work of drafting the Policy Manual undertaken in 1960 may be expedited and completed early. (Paragraph 15).

REPLY OF THE GOVERNMENT

The Planning and Coordination Branch of the Textile Commissioner's Organisation is now looking after the formulation of policies in regard to the various matters concerning the textile industry. This is a continuous process and the policies have to be revised from time to time in accordance with the changing circumstances. The broad outlines of the various policies have already been finalised and these are being codified and circulated to the Regional Offices and the concerned officers. In this sense, there is a manual which is, however, always in a continuous process of changes and amplifications.

[Ministry of Commerce and Industry O.M. No. 17 (2)/62/Tex(B), dated 28th December, 1962]

Recommendation (Serial No. 9)

The Committee welcome the steps taken by the Textile Commissioner towards greater devolution of powers and responsibilities which they hope would result in a better out-turn of work. At the same time they would also like that the reasons for inordinate delays should be gone into in detail and remedial measures adopted. It should be examined in particular whether the delays have arisen because of the procedure or conventions followed in the Regions or Headquarters or both resulting in the putting up of cases to higher levels unnecessarily. (Paragraph 16).

REPLY OF THE GOVERNMENT

As already indicated in reply to para (1) above the O. & M. study of the various branches of the Textile Commissioner's Office

has been undertaken. The study would reveal the causes of inordinate delays. On finalisation of the O. & M. report remedial measures are being adopted. The Committee's views in regard to the desirability of examining whether the delays have arisen because of the procedure or conventions followed in the regions or headquarters or both have been noted.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 28th December, 1962]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

The result of the examination whether the delays had arisen because of the procedure or conventions followed in the regions or headquarters or both resulting in the putting up of cases to higher levels unnecessarily may be communicated. The action taken by Government as a result of the Examination may also be stated.

[Lok Sabha Secretariat O.M. No. 32(1)/62, E.C. dated 6th September, 1963]

FURTHER REPLY RECEIVED FROM GOVERNMENT

During the work study of the Regional offices etc. certain procedural changes were suggested which aimed at simplifying the existing procedure. To the extent the simplification reduced the stages through which the cases were processed, the time saving was achieved and delays cut down. In some cases, the items of work handled were considered to be repetitive and their elimination was recommended. Yet another step taken was to encourage level jumping. A watch is also kept on the 'delays' through the statement of pending cases received through the sections etc. One of the factors causing hold up of cases is the delay in the announcement of foreign exchange releases, import policy etc. Unless policy is announced on such matters, cases have to be kept pending. Such delay is beyond the control of this organisation.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 17th December, 1963]

Recommendation (Serial No. 12)

The Committee consider it infortunate that the report on the organisation of the Textile Commissioner by the S.R.U. in 1955 should have become 'out of date' soon after the completion of their study. They suggest that the S.R.U. should undertake a fresh review of the entire Organisation of the Textile Commissioner to see how far it was geared up to achieve its objectives and in what respects economies could be effected. (Paragraph 19).

REPLY OF GOVERNMENT

The Committee's recommendations have been noted. As has already been indicated by the Ministry of Finance, the S.R.U. has now taken up the study of the Ministry of Commerce and Industry's Organisation as a co-ordinated unit and the Textile Commissioner's Organisation will figure in it in due course. The Textile Commissioner has, however, on his own initiative undertaken a continuous

study of the whole Organisation, as a result of which numerous changes have been resulting in increased efficiency and economy of working.

[Ministry of Commerce and Industry O.M. No. 17(2)-Tex(B)/62 dated 28th December, 1962]

Recommendation (Serial No. 13)

The Committee suggest that besides dealing with complaints of corruption etc. the Vigilance Officer in the Textile Commissioner's Organisation should also devise suitable measures in collaboration with the O. & M. Section for the prevention of corrupt practices. They also suggest that the possibility of taking a few important and representative textile organisation into confidence and requesting them to give particulars of specific cases along with the supporting proof which may facilitate enquiry and the taking of remedial measures, may be considered. (Paragraph 20).

REPLY OF GOVERNMENT

The Committee's recommendations that the Vigilance Officer should devise suitable measures in collaboration with the O. & M. Section for prevention of corrupt practices is accepted. Necessary action is being taken in this regard. As regards the question of taking representatives of the Textile Organisation into confidence, previous experience shows that these representatives are not willing to give specific information and indulge only in general complaints and allegations which they are unable to substantiate.

[Ministry of International Trade O.M. No. 17(2)-Tex.B/62, dated 17th dated 28th December, 1962]

Recommendation (Serial No. 14)

The Committee consider that the time lag in the compilation of the statistics should be reduced so as to ensure their timely publication. Suitable action may be taken against the defaulters who fail to submit the returns in time and their names publicised in the relevant issue of the publication.

The Committee would also like the Textile Commissioner to examine the practical utility of various returns which are at present being compiled and to see which of them could be dropped, simplified, abridged etc. (Paragraph 21).

REPLY OF GOVERNMENT

Steps are being taken as far as possible to reduce the time lag in the compilation of statistics. Steps are also being taken from time to time to obtain returns from the defaulting units. The principal difficulty here is that the Controller of Printing & Stationery insists on printing the Statistical Bulletins in Centres outside Bombay and the Manager of publications on handling the releases. This Office is negotiating with the two departments the taking over of these responsibilities so that the bulletins could be printed in Bombay and released by this Office. This would cut down delays appreciably.

This is a continuous process and the decisions in this regard taken by the Committee of Direction set up under the Chairmanship of the Cabinet Secretary with the representative of the Industry are being implemented.

[Ministry of Commerce and Industry O.M. No. 17 (2)/62/Tex(B), dated 28th December, 1962]

Recommendation (Serial No. 15)

The desirability of publishing the Annual Administrative Report of the Textile Commissioner's Organisation separately or along with the Annual Review of Production, Distribution etc. of the Textile Industry, may be examined. (Paragraph 22).

REPLY OF THE GOVERNMENT

The Committee's recommendations are accepted. The Administrative Report will be published.

[Ministry of Commerce and Industry O.M. No. 17 (2)/62/Tex(B), dated 28th December, 1962]

Recommendation (Serial No. 18)

Considering that the Cotton Textiles Control Order, 1948 specifically authorises the Textile Commissioner to prescribe the classes, specifications, and quantities of cloth or yarn to be produced by the Mills it is desirable that a sample survey is undertaken to assess the actual requirements of the consumers in the matter of coarse, medium, fine and superfine cloth. Should the survey of requirements reveal significant deviations from the present pattern of production it will be desirable and even necessary to collect detailed data and to arrange for the appropriate overall production pattern taking also into account (a) the production in the decentralised sector for which yarn is supplied by the spinning mills; and (b) the quantity and type of cloth meant for exports. (Paragraph 34).

REPLY OF THE GOVERNMENT

This matter was also dealt with by the Textile Inquiry Committee (1958) and the Government has decided that this work should be attended to by the Cotton Textiles Fund Committee. The Market Research Wing of the Cotton Textiles Fund Committee has already undertaken study on this subject.

[Ministry of Commerce and Industry O.M. No. 17 (2)/62/Tex(B), dated 28th December, 1962]

Recommendation (Serial Nos. 19 and 20)

The Committee hope that the licences for the additional spinning capacity to the extent of 4 million spindles during the Third Plan would be issued very early and that the additional spindles would be installed without avoidable delay so that the decentralised sector does not have to face any difficulty during the Third Plan period in obtaining all its requirements of yarn. (Paragraph 37).

In view of the fact that the Co-operative Spinning Mills would primarily be meeting the requirements of the handloom and the fact that the well-established policy of the Government is to encourage the growth of co-operative ventures, the Committee feel that the Government should have a more positive approach in the matter of promoting establishment of co-operative spinning Mills. (Paragraph 39).

REPLY OF THE GOVERNMENT

Licences for additional spindles have already been issued in case of 15 States involving 21,73,552 spindles. It has also been decided to allocate additional spindles to co-operative spinning mills over and above the States' quota, which will help in meeting the requirements of the handlooms. Installation of these additional spindles would be taken up as soon as the concerned parties have taken effective steps and the requisite machinery either imported or obtained from indigenous sources.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex (B), dated 28th December, 1962]

Recommendation (Serial No. 21)

The Committee would like the Government to give special attention to the difficulties faced by the mills so that the needs of the mills for the third shift working are met quickly and as many units as possible go in for working round the clock. (Paragraph 40).

REPLY OF THE GOVERNMENT

The third shift has already been started in some mills and the 1st and 2nd shift working has also been intensified in many mills. These mills were given special allocations of Cotton. On account of the acute shortage of cotton in the current year, the continuance of the third shift has now become difficult.

It is also necessary that wherever spinning and weaving sections of a mill are unbalanced on shift to shift basis additional spindles for balancing purposes are licensed to them so that they are able to run the third shift in weaving.

Some units have already been granted substantial expansion for purposes of balancing. However, the actual installation of these spindles will depend on the availability of necessary machinery.

As regards Coal, a specific request was made to the Department of Mines & Fuel for additional allocation of coal to enable the textile industry to work 3rd shift. However, in the context of overall needs of the various consumers no additional allocation could be made. Similarly, release of power for textile industry has to be within the limitations of over-all shortage.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 28th December, 1962]

Recommendation (Serial No. 22)

The Committee observe that with two lakh looms in the industry, the revised formula evolved by the Indian Cotton Mills Federation 358(Aii) LS—2.

would make for the introduction of nearly 12,000 new varieties in a year which obviously are on the high side. They deprecate the tendency on the part of the textile mills to introduce new varieties by frequent changes in the production of existing varieties of cotton fabrics. They cannot resist the conclusion that one of the primary reasons for this is the desire of the mills to increase their margin of profit and thus side-track the voluntary price control. The Textile Commissioner should devise suitable measures to exercise a stricter watch over the mills in order to curb this undesirable tendency particularly when the mills tried to curtail or change the production of well established and popular varieties of cloth. (Paragraph 43).

REPLY OF THE GOVERNMENT

The production of new varieties of cloth by mills has already been restricted. The mills are now permitted to manufacture only one new variety every two months for every 200 looms installed. It may also be mentioned that for maintenance of continuity of the same varieties in production, it is necessary to ensure continuous supply of cotton from which the yarn requirements of such varieties can be spun. When once this supply gets upset, and the industry has to utilise the foreign short staple cotton or substitute other cotton in the manufacturing programmes of yarn at short or without notice, certain changes in the cloth varieties become unavoidable. The change in the consumers' taste from time to time has also to be kept in view.

Prices to be stamped on cloth will be specifically approved by the Textile Commissioner who would also indicate selling margins at the wholesale and retail levels.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 28th December, 1962]

Recommendation (Serial No. 23)

The Committee are of opinion that the Textile Commissioner should be more effectively associated in the matter of fixation of prices of cloth and yarn so that the consumers' interests are safeguarded. (Paragraph 44).

REPLY OF THE GOVERNMENT

The Textile Commissioner will be more closely associating himself with the Pricing Committee in the various regions to safeguard consumers interests.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 28th December, 1962]

Recommendation (Serial No. 24)

The Committee consider that if the Textile Commissioner were given authority to make purchases of cloth and yarn incognito in the open market, it would enable him to assess the market conditions and the effectiveness of the Voluntary Price Control Scheme to check whether the price and month and year of production were stamped

on all mill cloth. They would like the Government to consider the matter again keeping this desirable aspect in view. (Paragraph 45).

REPLY OF THE GOVERNMENT

The matter has been considered by Government and it has been decided that for the purpose of testing prices it will not be necessary to make an actual purchase.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 28th December, 1962]

Recommendation (Serial No. 25)

The Committee recommend that the prices of intermediate counts of yarn and yarn above 40s may also be fixed so that there is no apparent uncertainty as regards their price. (Paragraph 45).

REPLY OF THE GOVERNMENT

The prices of intermediate counts of yarn below 40s and of yarn of counts above 40s have since been fixed.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 28th December, 1962]

Recommendation (Serial No. 29)

The Committee recommend that besides the opening of retail shops by the mills, establishment of consumers' co-operative stores may be encouraged so that cloth is made available at fixed rates to the public. (Paragraph 47).

REPLY OF THE GOVERNMENT

In order to serve consumers' interests a centrally sponsored scheme has been introduced for the organisation of a net work of consumers' co-operative stores in all important cities and towns with population over 50,000. Government are already considering the necessary administrative and other arrangements to ensure supplies of textiles among other commodities to co-operative stores.

[Ministry of Commerce and Industry O. M. No. 17(2)/62 Tex (B) dated 28th December, 1962]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

The progress made in the implementation of the centrally sponsored scheme for the organisation of a net work of consumers' co-operative stores in all important cities and towns with a population of 50,000 and the total yardage of textiles distributed through consumers' co-operative societies so far may be communicated.

[Lok Sabha Secretariat O.M. No. 32(1)/62. EC, dated 6th September, 1963]

FURTHER REPLY RECEIVED FROM GOVERNMENT

The Scheme is working satisfactorily. The Co-operation Commissioner, Ministry of Community Development & Co-operation is already working the scheme and we have received reports of sup-

plies of cloth against this scheme. There is no quota as such fixed for each of the co-operative societies nor has it been considered necessary to do so. A minimum of 10 per cent of each mill's production will be made available every month for the supply to the consumers' co-operative societies. The distribution is made by the Co-operation Commissioner and by the State Governments. We come in only where there are difficulties. It was previously agreed that the mills will supply at ex-mill plus 4 per cent but as a result of a decision taken in a high level conference in Delhi recently attended by the Ministry for Planning, and Planning Commission members, pressure was brought on the Textile Industry to agree to the supply of cloth to the Consumers' Co-operative Societies etc. at ex-mill prices only. The Industry has agreed to this and the supply will be made at the ex-mill prices only.

[Ministry of International Trade O.M. No. 17(2)-Tex.B/62, dated 17th December, 1963]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

The number of consumers' co-operative stores brought into existence so far (State-wise).

Please indicate separately the number of important cities and towns having population of over 50,000 which now have consumers' co-operative stores and the number of important cities and towns having a population of over 50,000 which do not have such consumers' stores (The information may be supplied State-wise).

The minimum yardage of cloth reserved for supply ex-mill to the consumers' co-operative stores (State-wise) during each month of 1963 and the total yardage actually lifted by them (State-wise) during that period.

[Lok Sabha Secretariat O.M. No. 32(1)/62.EC, dated 30th December, 1963]

FURTHER REPLY RECEIVED FROM GOVERNMENT

As already intimated in our Memorandum of even number dated the 17th December, 1963, under the scheme for the organisation of a net work of consumers' co-operative stores in all the States there is no quota as such fixed for each cooperative society. The Textile Mills are required to earmark a minimum 10% of a cross section of each mills total packings of cloth for civil consumption for supplies at ex-mill rates to consumers' cooperative stores and fair price shops against demands received by them duly certified by the State Government. Specific quantum of supplies for each State has not been allocated as necessity for State-wise quota has not been felt so far. The scheme is already in vogue and supplies are being received by the approved channels from the Mills. Necessary assistance is rendered to the State Governments in the matter of obtaining supplies, if and when there are difficulties. During 1963 the total packings for civil consumption was 3,700 million metres and out of this 370 million metres were reserved for supply to consumers' co-operative stores and fair price shops.

[Ministry of Industry D.O. letter No. 17(2)-Tex(B)/62, dated the 1st May, 1964].

Recommendation (Serial No. 31)

The Committee consider that the best way of meeting the Cotton requirements obviously is to step up the indigenous production that it catches with the requirements. So long as this cannot be achieved it may be advisable to have adequate buffer stock of cotton in the country to meet any unforeseen shortfall in cotton production without upsetting the price structure of cotton and cloth. Before taking a decision about the buffer stocks, Government would no doubt examine in detail whether such stocks should be maintained by them or carried by the Industry. (Paragraph 50).

REPLY OF THE GOVERNMENT

With a view to stepping up production of cotton, the Government increased the ceiling prices of cotton for the 1962-63 crop for all varieties by Rs. 35 per quintal (i.e. Rs. 125 per candy). The question of creation of a buffer stock of cotton would be considered, if necessary, in due course.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 28th December, 1962.]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

It may please be stated whether the question of creation of a buffer stock of cotton has since been considered. If so, details thereof may be furnished.

[Lok Sabha Secretariat O.M. No. 32(1)/62.EC, dated 6th September, 1963.]

FURTHER REPLY RECEIVED FROM GOVERNMENT

The question of creation of reserve stock of cotton under PL 480 from U.S.A. is at present engaging the consideration of the Government of India. The Secretary Ministry of International Trade, convened a meeting in Bombay on the 7th October, 1963 at which the implications of the Buffer Stock Scheme were discussed at length. Following these discussions, the Indian Cotton Mills Federation have been requested to draw up a detailed scheme for examination by Government.

[Ministry of International Trade O.M. No. 17(2)-Tex.B/62, dated 17th December, 1963.]

Recommendation (Serial No. 32)

Since shortage of cotton is anticipated this year, the Committee consider that the Government, profiting from past experience, should take early stock of the position and initiate suitable action. Timely imports of cotton may also be arranged to make good the shortfall. (Paragraph 51).

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B) dated 28th December, 1962.]

REPLY OF THE GOVERNMENT

This is being done.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 28th December, 1962.]

Recommendation (Serial No. 33)

The Committee suggest that a study may be made of the steps so far taken in the direction of ensuring purity of cotton with a view to seeing if they have led to the desired results and to find ways of effecting improvement. (Paragraph 52).

REPLY OF THE GOVERNMENT

A continuous study is being made of the results obtained by the steps taken from time to time and wherever necessary improvements in the system are made to achieve the desired results.

[*Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 28th December, 1962*]

Recommendation (Serial No. 34)

The Committee recommend that the procedure of granting licences for import of dyes and chemicals and auxiliaries should be streamlined to cut out delays. A lot of time could for example be saved if the applicants were asked to send the original application to the Joint Chief Controller of Imports giving simultaneously a copy to the Textile Commissioner so that the latter may send his recommendations within specified time to the Joint Controller. (Paragraph 54).

REPLY OF THE GOVERNMENT

A new simplified procedure for calculating export incentives which has cut down delays has since been introduced. Under this procedure applications claiming import entitlements in respect of exports relating to a particular month can now be submitted during the following month. The import entitlements due to the different categories of exporters will now be calculated simultaneously. Applications for issue of an entitlement certificate and grant of import licences by the Import Trade Control Authorities will now be submitted simultaneously.

[*Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 28th December, 1962.*]

Recommendation (Serial No. 35)

The Committee consider it unfortunate that out of the total number of 50 textile units surveyed and recommended for financial assistance for rehabilitation and modernisation amounting to Rs. 13·60 crores during the last six years, only 18 units had actually availed themselves of the financial assistance amounting only to Rs. 4·85 crores.

The Committee consider that difficulties faced by the units in the matter of procuring machinery from indigenous manufacturers or in getting licences for procuring machinery from abroad, timely availability of foreign exchange etc. need also to be looked into. (Paragraph 57).

REPLY OF THE GOVERNMENT

The position as on 31st March 1962 in respect of units that have sought loan assistance from NIDC is as under:—

<i>No. of applications received.</i>	140	<i>Amount (Rs. in lakhs)</i> 6267
Loan sanctioned	21	587
Legal Work in progress	17	615
Loans declared by Company after sanction	16	347
	<hr/> 54 <hr/>	<hr/> 1543 <hr/>
Loan not sanctioned	67	2889
Loans awaiting disposal by NIDC	7	220
Loans awaiting disposal by CTLAC	15	327

Every possible assistance is being given to the units in the matter of making available indigenous machinery or allowing imports. It is, however, not possible at present to make available the entire requirements of the industry for rehabilitation and modernisation. The overall requirements of machinery for rehabilitation and modernisation, have been estimated at about Rs. 180 crores by the Working Group appointed by the NIDC. In addition to the above, machinery is also required for the new units which will come up as a result of the additional capacity being created during the Third Five Year Plan. The machinery for this additional capacity is likely to cost about Rs. 150 crores.

The present rate of production of the indigenous textile machinery manufacturers is about Rs. 12 crores per annum. Every effort is being made to increase the capacity. We expect that the capacity would increase to about Rs. 30 crores by the end of Third Five Year Plan. So, in order to meet the entire requirement of the cotton textile industry for rehabilitation and modernisation a very substantial amount of foreign exchange would be required for the import of cotton textile machinery. It is estimated that this requirement, over and above the present availability of foreign exchange would be of the order of about Rs. 115 crores.

[*Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 28th December, 1962.*]

Recommendation (Serial No. 36)

The Government, judging from the lack of data with them, have neither kept a careful and continuous watch on the progress of rehabilitation and modernisation by the various units in the industry nor looked for effective remedies to overcome the hesitation or slackness noticed on the part of mills to undertake the urgently needed measures. (Paragraph 60).

REPLY OF THE GOVERNMENT

The Government is aware of the urgency and seriousness of the problem of modernisation and rehabilitation. With regards to the Committee's observations about continued payments of large dividends by some units of the industry, ignoring the needs of depreciation and reservations, it may be stated that the New Companies' Act, 1956 as amended by the Amendment Act, 1961 has made it compulsory for the mills to provide for depreciation at income tax rates before proceeding with the disbursements of dividends, etc. As regards the question of the industry taking advantage of the assistance, however limited, that was available for rehabilitation and modernisation through Government Financing Agencies like NIDC, it appears that there is some sort of reluctance on the part of some of the mills to utilise the financial assistance to carry out the programmes of rehabilitation and modernisation. In certain cases the mills have already borrowed capital from other agencies against their existing assets. Even where loans have been sanctioned, the progress of modernisation depends on the availability of machinery from indigenous sources as well as from imports. As has already been indicated in reply to para 2 above, there is a large gap between the demand and supply position of machinery. Unless, therefore, adequate machinery is made available, increase in the financial assistance would not by itself resolve the problem.

In order to enable the industry to overcome hesitation or slackness, the terms and conditions of loans to be granted from government financing agencies have been relaxed and liberalised; even short term loans are granted by NIDC and other bodies to finance the expenditure of erection and other charges related to programmes of rehabilitation. The Regional Offices of the Textile Commissioner are in continuous contact with the mills with a view to assist them in planning out their phased programme of rehabilitation.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 28th December, 1962.]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Since it is stated that 'there is a large gap between the demand and supply position of (textile) machinery,' the progress made in developing indigenous manufacture of textile machinery against the Third Plan target may be communicated.

[Lok Sabha Secretariat O.M. No. 32(1)/62.EC, dated 6th September, 1963.]

FURTHER REPLY RECEIVED FROM GOVERNMENT

The progress made in the production of indigenous textile machinery is, as under:—

Production of textile machinery in value

1.	1961..	..	..	..	..	Rs. 11.5 crores
2.	1962..	..	..	..	..	Rs. 14.5 crores
3.	Jan '63 to	During				
	June '63	six months		..		Rs. 8.7 crores

At present sufficient foreign exchange is being allotted to the textile machinery manufacturing units for import of components and raw materials to fulfil their production programme. Their average annual production programme is Rs. 26 crores in terms of value. This production is likely to be achieved by 1964-65 subject to the condition that Coal, Coke and Pig Iron are supplied to them as per their requirements. The annual targetted production of Textile machinery is of the order of Rs. 26/27 crores.

[Ministry of International Trade O.M. No. 17 (2)-Tex.B/62, dated 17th December, 1963.]

Recommendation (Serial No. 37)

The provision of Rs. 20 crores for assistance to be rendered by NIDC for rehabilitation and modernisation of the textile industry may not prove adequate. The Committee would like the Government to review the position from time to time in the light of the actual utilisation by the mills of loan assistance through the NIDC and if found necessary to increase the provision suitably.

They also suggest that precise requirements of rehabilitation and modernisation of the textile industry (Mill sector) may be ascertained mill-wise and thereafter a phased programme for its implementation may be drawn up having regard to the availability of the resources and equipment. It may also be necessary to ensure that the time limit envisaged for the execution of such a phased programme is strictly adhered to by the units. (Paragraph 61).

REPLY OF THE GOVERNMENT

As has already been pointed out earlier, availability of adequate machinery is of primary importance in achieving the minimum level of modernisation envisaged. The question of availability of funds in that context is of lesser importance. There are several units which could finance the rehabilitation programmes from their own resources but are unable to do so, at the requisite speed, on account of difficulties in obtaining machinery.

A review of the position from time to time in the light of the actual utilisation by the mills of loan assistance through NIDC is being made. The question of increasing the provision of funds for rehabilitation and modernisation from these sources would be examined if found necessary.

A mill-wise phased programme for rehabilitation and modernisation is being drawn up by the Textile Commissioner's organisation. No time limit however, can be fixed for the execution of such a phased programme on account of the uncertainty about the availability of the resources and equipments.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex (B), dated 28th December, 1962]

Recommendation (Serial No. 38)

In order to enable a firm plan being drawn up for rehabilitation and modernisation of the textile industry, the Committee consider

it desirable that the necessary amount of foreign exchange be earmarked for meeting the essential requirements during the Third Plan period. They also suggest that the foreign exchange likely to be made available to the textile industry for rehabilitation and modernisation may be made known to the Industry in the beginning of each financial year. (Paragraph 62).

REPLY OF THE GOVERNMENT

The estimated requirements of foreign exchange for meeting the modernisation and expansion programmes are being drawn up for every licensing period. It has, however, not been possible for the Government to allot full requirements of foreign exchange on account of the very difficult balance of payments position. As and when foreign exchange in the form of credits, etc., is made available for the textile industry, the industry is informed of the same and asked to apply for their requirements. Suitable priority is given in import licensing for purpose of rehabilitation and modernisation.

[*Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex (B), dated 28th December, 1962*]

Recommendation (Serial No. 39)

In view of the difficulties being experienced both by the mills/machinery manufacturers in the matter of import of machinery and other ancillaries etc., the Committee recommend that the existing procedure may be reviewed and made more business-like so as to cut out avoidable delay. (Paragraph 63).

REPLY OF THE GOVERNMENT

Procedure in regard to licensing import of machinery for the mills and the machinery manufacturers is reviewed from time to time to cut out avoidable delays. The procedure was completely overhauled recently and Essentiality Certificates were now issued within reasonable time after receipt of application for import from countries in respect of which foreign exchange was available. Authority was also delegated to the Regional Offices wherever practicable so as to cut delays. However, the essentiality certificates as well as the import licences could only be issued on formal release of foreign exchange allocations and credits to the Textile Commissioner.

[*Ministry of Commerce and Industry O. M. No. 17(2)/62 Tex (B) 28th December, 1962*]

Recommendation (Serial No. 40)

Having regard to the need for building up of an efficient industry with the willing cooperation of labour, the Committee urge that the Rationalisation Committee should meet more often and function effectively. (Paragraph 64).

REPLY OF THE GOVERNMENT

The Rationalisation and Modernisation Sub-Committee set up by the Cotton Textiles Advisory Committee has been reconstituted re-

cently and has already had three meetings so far. The report of this Committee in regard to the several aspects of rationalisation and recommendations for resolving the problems arising therefrom is likely to be submitted shortly to the Cotton Textiles Advisory Committee.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 28th December, 1962]

Recommendation (Serial No. 41)

The Committee suggest that the reasons for the Regional Committees for maintenance of plant and machinery not functioning effectively, may be examined. It may be advisable to lay down the minimum number of meetings to be held in a year by the Central and Regional Maintenance Committees. The Committees may with the assistance of the Textile Commissioner's Organisation also keep a close watch over adherence by the mills to the maintenance schedules drawn up by them. (Paragraph 65).

REPLY OF THE GOVERNMENT

The Committee's recommendations have been noted. The Regional Committees are working out the maintenance schedules of individual mills, and these and the Central Committees have been reactivated recently. The Regional Office would keep a watch on the maintenance schedule followed by the mills at the time of routine inspection.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 28th December, 1962].

Recommendation (Serial No. 42)

The Committee are of the view that the Textile Commissioner's Organisation could play an effective role in the matter of timely averting of closure of mills. It would be advantage to the Organisation from this stand-point, to continuously study the Annual Reports, Balance Sheets, etc., and to maintain up-to-date history cards in respect of each of the textile mills in the country. Such a report containing the necessary details would also help the Textile Commissioner to keep himself posted with the condition of the machinery and the extent to which they require rehabilitation and modernisation.

The Committee feel that there is need for closer coordination between the Textile Commissioner's Office and the Company Law Department so as to ensure that cases of mismanagement, inadequate provision for depreciation etc., are detected without delay. The functions to be discharged by the two organisations in this respect may be clearly laid down by the Ministry of Commerce and Industry under which the two organisations function, care being taken to see that there is no avoidable overlapping of functions. (Paragraph 68).

REPLY OF THE GOVERNMENT

For the timely averting of closure of textile mills, the Government has recently initiated measures including the expansion of the

activities of the survey wing in the Textile Commissioner's organisation to examine the cases of uneconomic mills. The survey wing is making a study and analysis of Balance Sheet for conducting investigations on the financial position. It is also taking up the question of building up continuous records of management and financial position of each of the textile mills.

A Standing Advisory Committee on textile mills has also been formed to keep a vigilant watch on the closure of mills and on the deteriorating conditions of any unit.

Close co-ordination between the Textile Commissioner's office and the Company Law Administration is being developed and contacts between the Regional Offices of the Textile Commissioner and the Regional Directors of the Company Law Administration are already established. The information between the two organisations is freely exchanged.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B),
dated 28th December, 1962].

Recommendation (Serial No. 44)

The Committee recommend that Government may help the Industry to procure the requisite quality of pig iron and steel. The Government may consider encouraging the manufacture in increasing number of ball bearings and specialised items, such as, measuring instruments, gauges, etc., so that the Industry is able to fulfil the targets. (Paragraph 71).

REPLY OF THE GOVERNMENT

As far as the question of helping the industry to procure the requisite quality of pig iron and steel is concerned, the Textile Commissioner is doing whatever is possible to assist the industry in this regard.

In regard to production of increasing number of ball bearings and the specialised items such as measuring instruments, gauges etc., some firms have already been licensed for manufacture of these items. Mention may be made particularly of Messrs Associated Ball Bearing Co., which is likely to go into production in the near future, for the manufacture of ball bearings. As far as measuring instruments and gauges etc. are concerned, these being precision instruments, no indigenous manufacturer except one has started production of the same. It is necessary to have foreign collaboration for the manufacture of these items. It is understood that foreign manufacturers are reluctant to enter into collaboration agreements for the same.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B),
dated 28th December, 1962].

Recommendation (Serial No. 45)

The Committee consider that urgent steps should be taken by Government to step up capacity for manufacturing automatic looms. It may also be ensured that the automatic looms being manufactured

in the country are comparable in quality with those which are being used by mills in other advanced countries who are offering keen competition to India in export of textiles. (Paragraph 71).

REPLY OF THE GOVERNMENT

Steps have already been taken to create capacity for manufacture of automatic looms including automatic looms for the art silk industry. The present licensed capacity is as under:—

Licensed capacity for auto-loom

Name of the firm	Licensed capacity (Annual)	Remarks
1. CIMMCO, Gwalior ..	2,400	Sakamoto for cotton.
2. N.M.M., Thana ..	1,500	Ruti—for cotton.
3. Cooper Engineering Ltd.	600	Draper—for cotton.
4. Laxmiratan ..	600	Toyoda—for cotton.
	5,100	
5. Kaveri Eng. P. Ltd. ..	300	Guskim—for silk & artsilk.
6. Maneklal ..	300	Collaboration yet to be
7. Binani Machinery ..	600	finalised, for silk & artsilk. No collaboration envisaged.

*Licence is granted both for Plain and Auto-loom combined.

It would be observed from the above that most of the manufacturers have collaborations with well-known manufacturers of foreign countries and it is therefore expected that the quality of production would be comparable to that of the other advanced countries.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/TeX(B), dated 28th December, 1962].

Recommendation (Serial No. 46)

The Committee would like to stress the need for developing indigenous manufacture of textile machinery for man-made fabrics as very little progress has been made so far in this direction.

The Committee would urge the Government to pay special attention to the question of progressively manufacturing of important items of textile machinery for which either there exists at present no capacity for indigenous manufacture or where it is inadequate. (Paragraph 71).

REPLY OF THE GOVERNMENT

The Committee's recommendations have been noted and the same have been given wide publicity. It is expected that some manufacturers would come forward for production of these items of machinery.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 28th December, 1962.]

Recommendation (Serial No. 47)

The Committee feel that the unique opportunity offered by the programme of rehabilitation and modernisation of the Industry should be taken as a challenge by the textile machinery manufacturers to improve their quality so that the mills who go in for indigenous machinery do not find themselves in any way handicapped in the matter of production of quality goods. (Paragraph 72).

REPLY OF THE GOVERNMENT

No remarks.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 28th December, 1962]

Recommendation (Serial No. 48)

The Committee are constrained to note that despite the repeated emphasis laid on the setting up of an Inspectorate by the Working Group (1952), Tariff Commission from time to time and the Working Group (1960), Government have taken an inordinately long time ever in formulating the scheme. It is still not clear as to when the Inspectorate would actually start functioning. The Committee hope that the setting up of the Inspectorate would not be delayed any further. (Paragraph 73).

REPLY OF THE GOVERNMENT

The Scheme for the setting up of an Inspectorate has already been finalised and its implementation will be expedited.

The Cotton Textiles Fund Committee are being given powers for inspection of textile machinery under the Textile Committee Bill, 1962 now before Parliament and it will set up an inspection organisation for quality control and to ensure the development on right lines of the indigenous textile machinery manufacturing industry and also to obviate complaints regarding quality or performance of machinery by the mill industry.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 28th December, 1962]

Recommendation (Serial No. 49)

The Committee regret the absence of a Research Institute catering to the exclusive needs of the textile machinery manufacturing industry in the country and would urge the early establishment of an Institute similar to those functioning in foreign countries. The Committee have no doubt that the textile industry and textile machinery manufacturers would willingly join in this venture making their own

financial contribution and they would be given an adequate representation on the governing body of the Institute. The Textile Industry's experience of over one hundred years would come in handy in giving point and substance to the research work of the Institute. In the meanwhile, each of the existing textile research Associations may by mutual agreement deal with some aspects of machinery development and help improve its efficiency and productivity. (Paragraph 74).

REPLY OF THE GOVERNMENT

The Committee's recommendations have been noted. The Textiles Committee Bill, 1962 now before Parliament will enable the C.T.F.C. to undertake, assist and encourage scientific, technological and economic research in the textile machinery.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex (B), dated 28th December, 1962]

Recommendation (Serial No. 50)

The Committee consider that the Industrial Adviser to the Textile Commissioner should remain in touch through the Research Associations etc., with the rapid changes which are being effected in textile machinery due to modern technological development. (Paragraph 75).

REPLY OF THE GOVERNMENT

The Committee's recommendations are accepted; the Industrial Adviser is in close touch with the charges.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex (B) dated 28th December, 1962]

Recommendation (Serial No. 51)

The Committee are of opinion that the exact spheres of work of the development of the textile machinery manufacturing industry being performed at present by the Textile Commissioner and the Development Wing of the Ministry of Commerce and Industry, should be defined so as to avoid all possible duplication of efforts and delays if any taking place in the disposal of applications. (Paragraph 76).

REPLY OF THE GOVERNMENT

The spheres of work of the Development of the Textile machinery manufacturing industry between the Textile Commissioner and the Development Wing of the Ministry of Commerce and Industry have already been carefully defined. The Textile Commissioner now looks after the development of textile machinery manufacturing industry; whereas the Development Wing looks after the manufacture of general engineering items.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex (B), 28th December, 1962]

Recommendation (Serial No. 52)

The Committee consider it unfortunate that differences between the textile machinery manufacturers and the representatives of the

textile industry have impeded the work of the Textile Machinery Ad Hoc Committee and its Study Groups who were expected to prepare a detailed programme for various types of textile machinery used for spinning, weaving etc. In the larger context of the development of the textile machinery manufacturing industry, it is imperative that there is the closest co-ordination between the textile machinery manufacturers and the representatives of the textile industry and they hope that it would be achieved soon. (Paragraph 77).

REPLY OF THE GOVERNMENT

The Committee's views have been noted. The Textile Commissioner does use his good offices to the extent possible for creating a close co-ordination between textile machinery manufacturers and the representatives of the textile industry.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 28th December, 1962]

Recommendation (Serial Nos. 54 & 55)

The Committee recommend that steps for development of starch for ancillary industries and for promotion of exports should be taken to ensure full and efficient utilisation of the increased production of the industry. (Paragraph 83).

In view of the fact that the starch industry has been enjoying a sheltered home market for several years and is supplied the raw material namely imported maize at controlled price, the Committee feel that it should have been possible for the industry to market the product at the international price. (Paragraph 84).

REPLY OF THE GOVERNMENT

The Committee's recommendations have been noted. The starch industry has been unable to export its products on account of the fact that the cost of raw material imported under PL 480 from U.S.A. is high and the manufacturing costs within the country have also increased. Another difficulty in exporting starch appears to be the difference in freight rates between the overseas countries to India and from India to foreign destinations. While the Indian industry is faced with the higher cost on the above account, the international prices have more or less remained the same. The Indian industry is, therefore, not able to compete in the foreign markets and for the same reason is not able to sell their products in the Indian market at international prices.

The issue has been taken up with the starch manufacturing industry.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex(B), dated 28th December, 1962]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

Since "the issue has been taken up with the Starch manufacturing industry" the reaction of the industry to the suggestion may be communicated.

[Lok Sabha Secretariat O.M. No. 32(1)/62 EC, dated 6th September, 1963]

FURTHER REPLY RECEIVED FROM GOVERNMENT

Detailed investigations of the cost structure of the different Starch Factories are being worked out by visiting representative Maize Tapioca Starch factories and on the basis of the findings of these investigations, it is proposed to discuss with representatives of the Starch Factories the question of the reduction of prices, particularly of Maize Starch in view of the fact that they are supplied with the imported raw material at reasonable prices. The question of exporting starch by them will also be discussed at the same time.

[Ministry of International Trade O.M. No. 17(2)-Tex.B/62, dated the 17th December, 1963].

CHAPTER III

RECOMMENDATIONS WHICH THE COMMITTEE DO NOT DESIRE TO PURSUE IN VIEW OF THE GOVERNMENT REPLY.

Recommendation (Serial No. 4)

Since Control Orders vest the authority for prescribing further conditions for execution of orders, such as the quantities of yarn or cloth to be produced, fixation of maximum and minimum prices for purchase and sale of different varieties of cotton etc. in the Textile Commissioner, no difficulty should be experienced by him in handling directly the work of Control Orders.

Where the Orders themselves need amendment, this work can be handled more appropriately by the main Secretariat. (Paragraph 10).

REPLY OF THE GOVERNMENT

While there may not be any difficulty in the Textile Commissioner's organisation handling directly the work of implementing the control orders, the work of formulating and drafting control Orders and amendments thereto has to be done by the Secretariat. It is for this reason that a Branch Secretariat is located at Bombay with the Textile Commissioner in-charge as *Ex-Officio* Joint Secretary. This enables speedy action to be taken on the spot without prolonged correspondence with the officers at Delhi. This is particularly necessary at a time like this when on account of an emergency Textile Commissioner has to deal with a number of matters connected with urgent issue of control orders, meeting defence needs etc., even now reference to the Main Secretariat are made only when matters are of sufficient importance or where the Secretariat Rules of Business require the approval of the Secretariat to the Government of India or the Minister.

[Ministry of Commerce and Industry O.M. No. 17 (2) /62/ Tex (B), dated 28th December, 1962]

Recommendation (Serial No. 11)

It seems to the Committee that the Textile Commissioner continues to be unnecessarily burdened with the work of issuing transport permits long after the justification for it has ceased owing to the abandonment of the statutory control on distribution of cloth etc. They suggest that a comprehensive review of the duties and responsibilities allotted to the Textile Commissioner may be made with a view to shedding such of them which are unnecessary. (Paragraph 18).

REPLY OF THE GOVERNMENT

The work of issuing transport permits at present is limited to Bombay city and Ahmedabad city. These two centres are the largest producers of cotton textiles in the country. Movement from these two centres is, therefore, very high. While the industry and trade do not envisage any difficulty in obtaining wagons from the railways where full wagon loads are concerned, difficulties are experienced where the consignments are not in full wagon loads. In such cases, Textile Commissioner's organisation with the co-operation of the railways has worked out a scheme where the small consignments for particular destination are bulked so as to form a wagon load. This enables the railways to give a higher priority for its movement. Unnecessary holding up of stocks at these two important centres, thereby creating artificial scarcity of cloth in different parts of the country, are thus avoided. The work of issuing permits from these two centres has therefore been continued specifically on the recommendations of the industry. The intention is to assist in the movement of cloth and yarn and not to exercise any control on distribution. The question of abolition of this system was recently discussed in the Cotton Textiles Advisory Committee and the Committee recommended that the system should continue as it helps the industry and trade in a great measure. The transport section is also dealing in addition with several other items of work like coal, cement etc. for the purposes of Textile mills.

*[Ministry of Commerce and Industry O.M. No. 17 (2) /62-Tex (B),
dated 28th December, 1962]*

CHAPTER IV

RECOMMENDATIONS IN RESPECT OF WHICH REPLIES OF GOVERNMENT HAVE NOT BEEN ACCEPTED BY THE COMMITTEE

HUNDRED AND SIXTY-SECOND REPORT

PART I

FUNCTIONS AND ORGANISATION COTTON TEXTILE INDUSTRY (MILL SECTOR), ETC.

Recommendation (Serial No. 5)

The Committee hope that Government would see its way to reducing radically the strength of the Branch Secretariat at Bombay if not altogether abolishing it. (Paragraph 11).

REPLY OF GOVERNMENT

While there may not be any difficulty in the Textile Commissioner's Organisation handling directly the work of implementing the control orders, the work of formulating and drafting control orders and amendments thereto has to be done by the Secretariat. It is for this reason that a Branch Secretariat is located at Bombay with the Textile Commissioner in-charge as ex-officio Joint Secretary. This enables speedy action to be taken on the spot without prolonged correspondence with the officers at Delhi. This is particularly necessary at a time like this when on account of an emergency Textile Commissioner has to deal with a number of matters connected with urgent issue of control orders, meeting defence needs etc. even now reference to the Main Secretariat are made only when matters are of sufficient importance or where the Secretariat Rules of Business require the approval of the Secretary to the Government of India or the Minister.

Recently the Government of India also issued orders delegating more powers to the administrative ministries and many of these powers are being delegated to the Branch Secretariat as far as the Organisation of the Textile Commissioner is concerned. In addition to above, the Branch Secretariat also attends to policy functions, such as parliament questions. Cotton Textile Advisory Committee, Cotton Textiles Consultative Board, Development Councils for Art Silk Industry and Woollen Industry and the Panel for Carpet & Drugs Industry where the authority of the Secretariat is desirable to secure expeditious handling of questions and quick decisions. The industry greatly appreciate the advantage of securing final disposal here at the hands of the Branch Secretariat and has been pressing for greater devolution of powers to the Branch Secretariat in matters

pertaining to them, as it finds it easier to explain its problems to the Textile Commissioner who has the necessary background and is in direct charge. Also, the organisation relationship between the office of the Textile Commissioner and the Secretariat is expected to be shortly studied by the S.R.U. and decision will be taken after the results of this study become available.

[*Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex (B), dated 28th December, 1962*]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

A copy of the report of the Special Re-organisation Unit of the Ministry of Finance together with decisions taken by Government thereon may be furnished.

[*Lok Sabha Secretariat O.M. No. 32(1)62-EC, dated the 6th September, 1963*]

FURTHER REPLY OF GOVERNMENT

Work study by S.R.U. is under progress and it is expected that S.R.U. will be completing their investigations by the end of the year 1963.

[*Ministry of International Trade O.M. No. 32(1)62-EC, dated the 6th September, 1963*]

COMMENTS OF THE COMMITTEE

The Committee hope that the Special Reorganisation Unit of the Ministry of Finance would complete their study at an early date and that Government would take decision on their recommendations very early so as to effect economy and improve efficiency.

Recommendation (Serial No. 6)

Textile Control Orders

The Committee consider that the implementation of some of the important Control Orders has not received sufficient attention from the Textile Commissioner's Organisation due to either inadequacy of staff or want of requisite and well-knit enforcing machinery. The growth of unauthorised powerlooms is a pointer in this regard (Paragraph 12).

REPLY OF GOVERNMENT

The powerlooms industry being in the decentralised sector, is located at various places all over the country. To ensure effective control over the industry in terms of the Control Orders, a vast network of field staff would be required and the Textile Commissioner's Office does not have it. The question of exercising effective control over the powerloom industry in conjunction with the Central Excise authorities was taken up with the Central Board of Revenue. The Board, however, did not agree to this proposal for the reason that the existing staff in the Central Excise Department was not adequate to take up the work of checking unauthorised powerlooms and sealing them.

However, consistent with the administrative set-up and the machinery at the disposal of the Textile Commissioner, efforts are being made to ensure that the provisions of the Control Orders are being effectively implemented.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex (B), dated 28th December, 1962]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

A progress report showing the implementation of each of the Textile Control Orders stating inter alia the details of the arrangements made for ensuring implementation of each of the orders may be furnished.

[Lok Sabha Secretariat O.M. No. 32(1) 62-EC, dated 6th September, 1963].

FURTHER REPLY OF GOVERNMENT

The important Textile Control Orders administered by the Textile Commissioner are as follows:

1. Cotton Textiles (Control) Order, 1948;
2. The Textiles (Production by Powerlooms) Control Order 1956;
3. Cotton Textiles (Export Control) Order 1949;
4. Artsilk Textile (Production & Distribution) Control Order, 1962;
5. Woollen Textiles (Production & Distribution) Control Order, 1962;
6. Textile Machinery (Production & Distribution) Control Order, 1962;
7. Cotton Textiles (Control of Movement) Order, 1948; and
8. Cotton Control Order, 1955.

Contraventions of the various provisions of the Textile Control Orders are brought to the notice of the Textile Commissioner by the officers of the Textile Commissioner's regional offices during the course of their periodical inspection of production units and/or by the Central Excise authorities. These are examined, in consultation with the Ministry of Law and suitable action is taken. Where, *prima facie*, legal action is sustainable, the State Government concerned is requested to launch prosecution. It is, however, observed that the State Governments are usually reluctant to launch prosecutions. In many of the cases referred to them during the past few years they requested the Textile Commissioner to take a lenient view and to let off the parties with warnings. Prosecution was not, therefore, possible in such cases. In a few other cases, the State Government considerably delayed action.

[Ministry of International Trade O.M. No. 17(2)-Tex.B/62, dated the 17th December, 1963].

COMMENTS OF THE COMMITTEE

Please see para 1 of Chapter I

(Recommendation (Serial No. 10))

The Committee consider that it would be desirable to reduce the existing number of levels of supervisory officers in the headquarters organisation of the Textile Commissioner (Paragraph 17).

REPLY OF GOVERNMENT

There is at present no Deputy Textile Commissioner. Directors send papers direct to Textile Commissioner or Joint Textile Commissioner where necessary and there are also Divisions which are in direct charge of Deputy Directors. Thus there are no superfluous levels.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex. (B), dated the 28th December, 1962]

COMMENTS OF THE COMMITTEE

Please see Para 2 of Chapter I.

Recommendation (Serial No. 16)*Advisory Bodies*

While the functions of the Cotton Textiles Consultative Board are so comprehensive, the interests represented on it are only those of the mill industry. (Paragraph 24).

The Committee recommend that the feasibility of having a single representative advisory body in place of the existing Cotton Textiles Consultative Board and Cotton Textiles Advisory Committee, may be examined (Paragraph 26).

The Committee envisage the setting up of an integrated advisory body on which the representative of Cotton, Cotton Textile Industry inclusive of Textile Labour, Handloom and Powerloom Sectors and the Textile Machinery Industry are duly represented. In this apex body, the representatives of the trade and consumers could also be included with advantage. With such an arrangement where the diverse interests are brought together in a common forum, it would be possible for it to discuss among other things allocation of targets of production to various sectors and review them from time to time in the light of their performance vis-a-vis requirements (Paragraph 26).

REPLY OF GOVERNMENT

The Cotton Textiles Consultative Board has been constituted to advise the Government directly at the level of the Minister, on important policy matters connected with Cotton Textiles and raw cotton. The Board considers only a few questions of top-level importance about twice a year, and gives an opportunity to the Industry for direct contacts with the Minister incharge. Its membership is also very select and based more on personal eminence and length

of experience than on any formal representative capacity. It is not to be treated as an Advisory Committee in the ordinary sense but as a panel of older statement of the Industry whom the Minister consults when necessary and who volunteer advice when they feel the occasion warranted the step. It is not desirable, therefore, to expand its membership.

The Cotton Textiles Advisory Committee is the principal Advisory Body for the Textile Industry. It has 31 members drawn from all parts of India, having a wide representation of the various interest concerned with the textile industry. This Committee goes into the details of the various problems such as production, labour relations, retrenchment, rationalisation, modernisation, etc.

The functions and purposes of the two bodies are distinct and separate and it is considered desirable to retain both the bodies at present.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex (B), dated the 28th December, 1962]

COMMENTS OF THE COMMITTEE

Please see Para 3 of Chapter I.

Recommendation (Serial No. 17)

The Committee consider the present uncertain position as regards the Third Plan targets capacity for the Powerloom and Handloom Sectors as very unsatisfactory from the point of view of planning the development of the cotton textile industry as a whole. They suggest that steps may be taken to collect accurate statistics relating to the working of the production units in the decentralised sector so that it is possible to make realistic allocations as between the centralised and decentralised sectors and inter se between the handlooms and powerlooms in the decentralised sector (Paragraph 33).

REPLY OF GOVERNMENT

The collection of handloom statistics primarily rests on the States who have been given special financial assistance for this purpose. A self-contained scheme was drawn up by a Sub-Committee for implementation by the State Governments. In order to review the arrangements, a conference of the States authorities dealing with the collection of handloom statistics was held in May, 1962.

As regards powerlooms, it would be possible for this office to obtain returns from fairly large number of units as soon as the work relating to the registration of unauthorised powerlooms is over. A liaison between the Central Excise authorities and the Central Board of Revenue who are obtaining some statistical information in this regard, has been established. The States Statistical Officers have agreed in the conference held in May, 1962, to obtain statistics on powerloom production along with handloom production.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex (B),

COMMENTS OF THE COMMITTEE

The Committee hope that Government would take effective action to collect and publish accurate statistics relating to the working of the production units in the decentralised sector so that it is possible to make realistic allocations as between the centralised and decentralised sectors and inter se between the handlooms and powerlooms in the decentralised sector.

Recommendations (Serial Nos. 26—28)

The complaints received from the public in regard to the working of Voluntary Price Control Scheme should be carefully investigated and remedial measures taken. Since the scheme is purely voluntary in nature and can be worked successfully only with the active co-operation of the public it should be widely publicised and the mills should be persuaded to insert advertisements giving retail prices of popular varieties so that the consumers are put wise and do not pay more... .. (Paragraph 45).

The Committee suggest that such complaints regarding non-availability of goods to the established wholesalers at ex-mill rates in some parts of the country may be investigated by the Textile Commissioner and suitable remedial action taken. (Paragraph 46).

The Textile Commissioner should investigate complaints relating to some of the mills charging premia on popular varieties and some insisting on lifting of unpopular and uncurrent goods along with popular goods and take necessary steps to curb such undesirable practices. (Paragraph 46).

REPLY OF GOVERNMENT

Action on the complaints received from the public is being taken by bringing the same, wherever such complaints are specific, to the notice of the industry and of the respective mill for taking remedial steps. The voluntary price control has no statutory force and therefore, it is difficult to ensure complete success of this scheme by any administrative measure. However, such steps as are necessary to be taken at the mill end are being taken in consultation with the Indian Cotton Mills Federation. The steps that could possibly be taken at the distributors' end are being discussed with the Indian Cotton Mills Federation. Effective action will be possible, however, after Government have taken a decision in regard to the future of Price Control on a consideration of the Tariff Commission's Report.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex (B), dated 28th December, 1962]

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

(i) *The result of discussions with the Indian Cotton Mills' Federation as regards the steps which could possibly be taken at the distributors' end, and*

(ii) *the date by which the Government are likely to announce their decisions on the Tariff Commission's Report, may be communicated.*

[Lok Sabha Secretariat O.M. No. 32(1)62-EC, dated the 6th September, 1963].

REPLY OF GOVERNMENT

The report of the Tariff Commission is under consideration and it will take some time for decisions to be taken on this report. The Commission, as is natural with such a vast industry having numerous varieties of products (cloth and yarn) and with qualities varying from producer to producer, has only attempted broad formula for arriving at prices leaving governmental agencies (Textile Commissioner and others) to work out details of prices. Thus the whole question is under thorough and detailed examination of the Government. For the time being, the existing scheme of Voluntary Price Regulation will continue and the margin to the trade would remain at 18 per cent over the ex-mill price of cloth.

[Ministry of International Trade O.M. No. 17(2)/Tex (B), dated the 17th December, 1963]

COMMENTS OF THE COMMITTEE

The Committee note that the Tariff Commission's report was submitted to Government more than one year ago but it is still under consideration. They would urge the Government to announce the decisions very early and devise an effective machinery for enforcing price control in this essential commodity.

Recommendation (Serial No. 30)

The Committee are of the view that since yarn constitutes the raw material for the decentralised sector adequate check should be exercised by the Textile Commissioner's organisation on the quality of cotton yarn produced by the textile mills so as to ensure specific standards of quality and durability. (Paragraph 48).

REPLY OF GOVERNMENT

The quality of durability of yarn produced by the mills depend on various factors such as the condition of the machinery, the quality of cotton and the efficiency of supervision and of labour employed in particular mills. These factors vary from mill to mill and it is, therefore, difficult, if not impossible to lay down specific standards in this regard. However, as and when specific complaints about the quality of yarn produced by any unit of the textile industry are received from the consumers and the decentralised sectors, steps are taken by the Textile Commissioner to find out the facts about each case and to suggest remedial measures.

[Ministry of Commerce and Industry O.M. No. 17(2)/62/Tex (B), dated 28th December, 1962]

COMMENTS OF THE COMMITTEE

Please see para 4 of Chapter I.

Recommendation (Serial No. 43)

The Committee have not considered in detail the financial implications of the proposal for setting up a Closure Fund out of which compensation may be paid to the old units going out of production. They are nevertheless in agreement with the object underlying the suggestion namely that old and outmoded equipment should be gradually weeded out. The Committee suggest that Government may carefully go into the matter and take early decision on this recommendation of the Working Group. (Paragraph 69).

REPLY OF GOVERNMENT

It was apprehended that the creation and administration of a "Closure Fund" would give rise to practical difficulties and hence the proposal has been dropped. However, there is a proposal under consideration of the Indian Cotton Mills' Federation to form a consortium of mills to take over closed units and for the purpose of starting new Mills in place of closed mills.

[Ministry of Commerce & Industry O.M. No. 17(2)/62/Tex(B), dated the 28th December, 1962].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

A progress report of the implementation of the Indian Cotton Mills' Federation Scheme for the formation of a consortium of mills to take over closed units and to start new units in place of the closed mills, may be furnished.

[Lok Sabha Secretariat O.M. No. 32(1)62 EC, dated 6th September, 1963]

REPLY OF GOVERNMENT

The Committee of the Indian Cotton Mills' Federation have not favoured the formation of a consortium of mills to take over the closed mills and to start new units in place of the closed mills. The matter has, therefore, to be further processed as this is a major issue. The matter will have to be put again to the Cotton Textile Advisory Committee and to the Cotton Textile Consultative Board.

[Ministry of International Trade O.M. No. 17(2) Tex-B/62, dated the 17th December, 1963].

COMMENTS OF THE COMMITTEE

The Committee would urge the Government to examine to take a decision at an early date on the question of weeding out old and out-moded equipment from the textile industry.

Recommendation (Serial No. 53)

The Committee feel that the development of the Textile Machinery Manufacturing Industry has not been given sufficient attention all these years and there is paramount necessity for developing the industry and research relating thereto. They recommend that a development Council be constituted for the Textile Machinery Manufacturing Industry at an early date. (Paragraph 78).

REPLY OF GOVERNMENT

The Textile Machinery Manufacturing Industry has already passed its infant stage and capacity has been created for almost all items of textile machinery. Therefore, it is not considered necessary to have a Development Council for this industry. An Advisory Committee has, however, been appointed to make recommendations to the Government in regard to the various problems arising from time to time. The Advisory Committee has representatives of the machinery manufacturers of cotton textiles, (Spinning and Weaving), art silk textiles, wollen textiles, components manufacturers and of the cotton mill industry, art-silk industry, woollen industry and Research Associations.

[Ministry of Commerce & Industry O.M. No. 17(2)/62/Tex(B), dated the 28th December, 1962].

FURTHER INFORMATION CALLED FOR BY THE COMMITTEE

A copy of the report of the Advisory Committee together with the decisions of Government thereon, may be furnished.

[Lok Sabha Secretariat O.M. No. 32(1) 62-EC, dated 6th September, 1963]

REPLY OF GOVERNMENT

The Advisory Committee referred to in the reply last given by Government has still not actually come into existence. An *ad hoc* Committee on Textile Machinery set up in 1957 has, however, been advising the Textile Commissioner on various matters pertaining to the development of the indigenous textile machinery manufacturing industry. Different Study Groups have been formed from out of the Members of the *ad hoc* Committee from time to time, and these groups have assessed.

(i) The requirements of textile machinery during the Third Plan period with their broad specifications and (ii) the requirements of imported components and capital equipment (tools) for increasing indigenous production in the textile machinery for meeting the demand during the Third Plan period.

[Ministry of International Trade O.M. No. 17(2) Tex-B/62, dated the 17th December, 1963].

COMMENTS OF THE COMMITTEE

Please see Para 5 of Chapter I

ARUN CHANDRA GUHA,

*Chairman,
Estimates Committee.*

NEW DELHI-1;

Dated the 6th May, 1964/Vaisakha 16, 1886 (Saka).

APPENDIX

Analysis of the action taken by Government on the
recommendations contained in the 162nd Report
of the Estimates Committee (Second Lok Sabha)

1	Total number of recommendations	55
2	Recommendations that have been accepted by Government (<i>Vide</i> recommendations Nos. 1 to 3, 7 to 9, 12 to 15, 18 to 25, 29, 31, 32 to 35, 36, 37 to 42, 44 to 52, 54 and 55 in Chapter II)	
	Number	42
	Percentage to total	76.3%
3	Recommendations which the Committee do not desire to pursue in view of the Government's replies (<i>Vide</i> recommendations Nos. 4 and 11 referred to in III)	
	Number	2
	Percentage to total	3.6%
4	Recommendations in respect of which replies of Government have not been accepted by the Committee (<i>Vide</i> recommendations Nos. 5, 6, 10, 16, 17, 26 to 28, 30, 43 and 53 included in Chapter IV)	
	Number	11
	Percentage to total	20.1%

