

Saturday, April 4, 1953



सत्यमेव जयते

**PARLIAMENTARY  
DEBATES**

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**HOUSE OF THE PEOPLE**  
**OFFICIAL REPORT**

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**PARLIAMENT SECRETARIAT**  
**NEW DELHI**

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THE  
PARLIAMENTARY DEBATES  
(Part I—Questions and Answers)  
OFFICIAL REPORT

1717

1718

HOUSE OF THE PEOPLE

Saturday, 4th April, 1953

*The House met at Two of the Clock.*

[MR. DEPUTY-SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

DISPLACED BUSINESSMEN AND INDUSTRIALISTS  
(LOAN)

\*1151. **Shri S. C. Samanta:** (a) Will the Minister of Finance be pleased to state how much loan was issued to displaced businessmen and industrialists up to the 31st December, 1952?

(b) How much has actually been paid so far?

(c) How many applications and for how much amount are pending disposal?

**The Deputy Minister of Finance (Shri A. C. Guha):** (a) The total amount of loan sanctioned by the Rehabilitation Finance Administration to the displaced persons upto the 31st December, 1952, is Rs. 9.30 crores.

(b) The total amount paid upto that date is about Rs. 5.29 crores.

(c) The number of loan applications pending as on that date is 26,471. Information regarding the amount of loans asked for in these pending applications is not available as the Administration does not maintain statistics in this regard.

**Shri S. C. Samanta:** As the time for receiving applications for loans in 1951 is over, may I know whether fresh applications will be received from displaced businessmen who came from East Pakistan in 1952?

**Shri A. C. Guha:** For the present the date is closed, but that suggestion may be taken into consideration later on.

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**Shri S. C. Samanta:** According to the recommendations of the High Power Committee joint stock companies and co-operative societies were to be granted at least Rs. 1 lakh. May I know how many were granted such sums?

**Shri A. C. Guha:** The information asked for may be available from the report of the Administration which is laid on the Table and is also available in the Library of the House. For the present, I would like to have notice for this question.

**Shri T. K. Chaudhuri:** May I know what is the State-wise break-up of the loans granted so far?

**Shri A. C. Guha:** For that also I would refer the hon. Member to the report of the Administration.

**Shri Velayudhan:** In view of the large number of applications now pending without decision, may I know if it is due to the absence of staff or administrative machinery?

**Shri A. C. Guha:** No, Sir. It is not due to the absence of staff, but due to the very nature of things the matter requires some more time; and I may add here that previously the per month disposal of applications was only 500 and at present the per month disposal of applications is 2,000. So we have made satisfactory progress, and I think that every attempt is made to expedite these applications.

**Shri Velayudhan:** May I know if there is a Statistical Section in the Rehabilitation Finance Administration so that we may know how many persons have applied for these loans?

**Shri A. C. Guha:** That figure is given. The total number is available in the report, i.e. the total number of applications and those that have been disposed of.

**Shri Gidwani:** Are Government aware that applications have been pen-

ding for more than 2 years and have not yet been disposed of?

**Shri A. C. Guha:** There might have been some cases like that because of the inherent nature and the difficulty of the problem and some other considerations. As I stated already, every attempt is being made to expedite the disposal and we have made satisfactory progress from 500 to 2000 applications per month.

**Shri M. S. Gurupadaswamy:** May I know what is the rate of interest charged on these loans? I also want to know whether Government are considering the rate of interest to be charged hereafter?

**Shri A. C. Guha:** It is, I think, stipulated in the Act. It is six per cent. and a rebate of one per cent. if the interest is paid in time. As for the other question, that is a suggestion for action.

**Shri K. K. Basu:** Have the loanees drawn the entire amount granted or have they drawn in dribbles?

**Shri A. C. Guha:** That will also be available in the report and I may add that in certain cases it is not possible for the loanees to take advantage of the loans sanctioned immediately. I can give the reasons. It is rather a long statement.

**Mr. Deputy-Speaker:** Not necessary. Next question.

#### SETTLEMENT OF DISPLACED PERSONS IN TRIPURA

\*1154. **Shri B. K. Das:** Will the Minister of Rehabilitation be pleased to state:

(a) whether any special developmental plan has been adopted for the settlement of displaced persons in Tripura;

(b) whether any East Bengal refugees of the 1952 influx have been settled in Tripura; and

(c) how many houses of a permanent nature have been built there?

**The Minister of Rehabilitation (Shri A. P. Jain):** (a) Normal schemes of rehabilitation have been adopted in Tripura.

(b) Yes.

(c) No construction of houses has been done by State Government, but 23,909 huts have been constructed by

displaced persons out of loans advanced to them.

**Shri B. K. Das:** With reference to part (b) of the question, may I know what is the number that has been settled out of the 1952 influx?

**Shri A. P. Jain:** 1898 families have been settled and 900 more families are in course of being settled.

**Shri B. K. Das:** Is that the total number that has been settled up to this time or this is the number of people who have come in 1952?

**Shri A. P. Jain:** Of course your question was above those who have come in 1952 and my reply relates to them.

**Shri B. K. Das:** What is the total number up till now of the previous refugees and the new influx?

**Shri A. P. Jain:** The total influx is 1,60,000. Out of this 77,463 are new influx.

**Shri T. K. Chaudhuri:** May I know if there is any colony known as Dharamnagar Colony in Tripura and whether Government have received any complaints with regard to the administration of that colony and the housing schemes there?

**Shri A. P. Jain:** There is a colony known as Dharamnagar Sadar Colony, but we have received no complaints about it.

**Shri Sivamurthi Swami:** May I know what amount of loan has been given to the displaced persons and what is the cost of the total huts?

**Shri A. P. Jain:** I am sorry, I have not got separate figures.

**Shri S. C. Samanta:** With reference to part (c) of the question, may I know whether any houses have been built for the displaced persons by Government? If not, may I know how many houses have been built without State assistance?

**Shri A. P. Jain:** I gave the figure as 23,909 and these houses have been built out of amounts advanced by Government. A few houses have been built by Government but those houses are a permanent liability.

**Shri B. K. Das:** Whether there is any scope of further development of this

area and further settlement of refugees. If so, what is the number that may be settled here and what will be the total quantity of land that may be available?

**Shri A. P. Jain:** I do not understand what is meant by 'this area'. I cannot answer that question.

**Shri K. K. Basu:** May I know whether the number given in answer to part (b) of the question represents the number settled by Government agencies or also those who have been settled privately?

**Shri A. P. Jain:** Only those who have been settled by Government agency.

**हिन्दी अनिवार्य विषय के रूप में**

\*११५५. श्री एम० एल० द्विवेदी : क्या शिक्षा मंत्री यह बतलाने की कृपा करेंगे कि :

(क) क्या हाल में हुए भारतीय हिन्दी परिषद् के सम्मेलन में सूचना तथा प्रसारण के केन्द्रीय मंत्री द्वारा व्यक्त किए गए अभिमत पर श्रीर उसमें पारित संकल्पों पर सरकार ने विचार किया है ;

(ख) यदि किया है तो क्या संघीय लोक सेवा आयोग के तत्वावधान में होने वाली परीक्षाओं में सरकार ने हिन्दी को एक अनिवार्य विषय बना दिया है ; तथा

(ग) यदि उपयुक्त भाग (ख) का उत्तर निषेधात्मक हो, तो यह कब संभव हो सकेगा ?

**The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya):** (a) Government have no information about the views expressed by the hon. Minister for Information and Broadcasting at the Conference nor of the resolutions passed there as no copy of these has been received.

(b) Hindi is prescribed as a compulsory subject in the final examination for the Indian Administrative Service and the Indian Police Service Probationers. It is not included for other examinations conducted by the Union Public Service Commission.

(c) It is not possible to decide the question at this stage. It is, however, the policy of the Government that

step by step we should move towards this goal.

**श्री एम० एल० द्विवेदी :** क्या मैं पूछ सकता हूँ कि आई० ए० एस० और पुलिस सर्विस के अतिरिक्त दूसरी नौकरियों में जो लोग नियुक्त किये जाते हैं, उन परीक्षाओं के लिए क्या हिन्दी वैकल्पिक विषय भी नहीं है ?

**श्री के० डी० मालवीय :** नहीं, कुछ परीक्षाएं ऐसी हैं जिनमें अन्तर्विभागीय नियुक्तियों के लिये हिन्दी शिक्षाक्रम में है, लेकिन आमतौर पर जैसे कि तीसरे नम्बर की सेक्रेटेरियट सर्विसेज हैं, उनके लिए हिन्दी कम्पलसरी नहीं है ।

**श्री एम० एल० द्विवेदी :** इस मन्द चाल से क्या गवर्नमेन्ट यह आशा करती है कि पंद्रह वर्षों की अवधि में लोगों को अपने भाष हिन्दी का ज्ञान हो जायेगा ?

**श्री के० डी० मालवीय :** जी हां, पर अगर हिन्दी को कम्पिटिटिव एग्जामिनेशन्स में आवश्यक विषय कर दिया जाय तो जितने कैंडिडेट्स उन प्रवेशों से आते हैं जिनकी मातृ भाषा हिन्दी नहीं है उन को कहने का भीका मिल जायेगा कि उन के साथ न्याय नहीं किया जा रहा है । इसलिये सरकार की नीति यह है कि तेजी से अहिन्दी प्रान्तों में हिन्दी शिक्षा का प्रचार किया जाय और जैसे ही हिन्दी का प्रचार हो जाय उस के साथ साथ हिन्दी को परीक्षाओं के लिये आवश्यक विषय कर दिया जाय ।

**Sari P. T. Chacko:** Are Government aware that this premature insistence on Hindi examinations for recruitment to public service is a calculated attempt to eliminate non-Hindi speaking people from the public services?

**Mr. Deputy-Speaker:** Hon. Members ought not to cast any aspersions. There is no good attributing motives. The amended question may be answered.

Whether it has got a deleterious effect upon those people of the country here who would like to appear and do not have that as their mother tongue?

**The Minister of Defence Organisation (Shri Tyagi):** It is for the hon. Minister to reply.

**Shri K. D. Malaviya:** I have already stated that any premature step in this direction can be looked upon as an indiscriminate step against those whose mother tongue is not Hindi, but I do not accept the insinuation of Mr. Chacko.

**Shri N. Sreekantan Nair:** Will Government give an assurance that federal officers who do not pass a test in the local languages will not be appointed to these regions?

**Mr. Deputy-Speaker:** We are going from one thing to another. Hon. Members ought not to ask for assurances on the floor of this House.

**Shri T. N. Singh:** Is it true that in the ICS examination of the old days, Hindi was one of the compulsory subjects?

**Shri K. D. Malaviya:** It was not a compulsory subject but knowledge of Hindi was put as one of the qualifying tests.

**श्री एम० एल० द्विवेदी :** मेरे प्रश्न के उत्तर में जो जवाब मंत्री महोदय ने दिया है, उस सम्बन्ध में क्या मैं पूछ सकता हूँ कि अब तक जो काम किये गये हैं या किये जाने वाले हैं उन में से कौन कौन से उपाय ऐसे हैं जिन से सरकारी कर्मचारियों को हिन्दी सिखाने का प्रबन्ध किया जा रहा है ?

**श्री के० डी० मालवीय:** सेन्ट्रल सर्विसेज के कर्मचारियों को हिन्दी सिखाने के उपाय बड़ी तीव्रता से किये जा रहे हैं और प्राशा है कि इतने वर्षों के अन्दर हजारों की संख्या में सरकारी कर्मचारियों को हिन्दी सिखा दी जायेगी। उन के लिये क्लासेज खोले गये हैं और ग्रामतीर पर क्वालिफाइंग टेस्ट्स भी कहीं २ होते हैं जिन के जरिये इस बात की कोशिश की जाती है कि जो नये लोग भरती किये जायें उन में कम से कम इतनी योग्यता

तो हो कि वह हिन्दी की मामूली बातों को समझ सकें।

**Dr. Suresh Chandra:** Is it a fact that Ministers in the Centre and in the States have expressed divergent views on the introduction of Hindi?

**Shri K. D. Malaviya:** We hold a common view on this matter.

**Shri Achuthan:** Am I to understand that for people appearing for IAS and IPS examination, an elementary or advance knowledge of Hindi is necessary?

**Shri K. D. Malaviya:** Hindi is one of the subjects in the syllabus where it is seen that they get qualifying knowledge i.e. that they get such knowledge which makes them fit for understanding easy and simple Hindi.

**सरदार ए० एस० सहगल :** क्या मंत्री महोदय यह बतलाने की कृपा करेंगे कि इस तरह के कितने क्लासेज चल रहे हैं ?

**Mr. Deputy-Speaker:** We are going from one thing to another.

**Sardar A. S. Saigal:** He answered it, Sir.

**Mr. Deputy-Speaker:** If a Minister wants to satisfy an hon. Member, if he is not satisfied, by giving some more information, that ought not to be made the basis for going away from the main point.

**Shri M. L. Dwivedi:** Supplementaries are asked for this purpose only.

**Mr. Deputy-Speaker:** Not hidden in the hands and sprung at the Ministers.

**Shri V. P. Nayar:** In view of the fact that Hindi is to be a compulsory subject for Union Public Service Commission's Examinations and its consequent possible discrimination, may I know whether Government will take any steps to value papers in the case of persons who appear from non-Hindi speaking areas with some sort of leniency?

**Mr. Deputy-Speaker:** This is a suggestion for action.

**Shri K. D. Malaviya:** Hindi is not a compulsory subject for the combined tests; no question of leniency arises therefore.

**Mr. Deputy-Speaker:** Next question.

**Shri S. V. Ramaswamy:** What is the proportion of marks?

**Mr. Deputy-Speaker:** I have gone over to the other question.

#### OPIUM SMUGGLING

\*1156. **Dr. Ram Subhag Singh:** Will the Minister of Finance be pleased to state:

(a) whether it is a fact that opium-smuggling has enormously increased during the recent months;

(b) the total quantity of contraband opium seized by Customs officials during the latter half of the year 1952-53; and

(c) whether any action has been taken by Government to prevent opium-smuggling?

**The Deputy Minister of Finance (Shri A. C. Guha):** (a) No, Sir. It is not a fact that opium smuggling has increased; on the other hand it is on the decline.

(b) The quantity of contraband opium seized during the latter half of the year 1952-53, that is, from October, 1952 to date, by the Customs authorities who are concerned only with smuggling from and to foreign destinations, is 6 maunds 7 seers 39 tolas.

(c) Inter-State smuggling is a matter for the State Excise authorities. Customs Officers at ports are always vigilant to intercept illegal exports. The following measures have been taken to prevent smuggling:

(i) Information in regard to international smuggling of opium is collected by the Narcotics Intelligence Bureau of the Office of the Narcotics Commissioners through its own agents, and placed at the disposal of the various Collectors of Customs for taking effective action.

(ii) Direct mutual exchange of information regarding such smuggling activities between Customs authorities in India and corresponding authorities in foreign countries has been permitted to enable prompt measures being taken to prevent smuggling.

(iii) Special intelligence sections exist in Custom Houses for dealing with offences relating to dangerous drugs.

(iv) Information is collected of all attempts at smuggling. A close study is continuously made of the *modus operandi* of the various

attempts to smuggle opium, so as to devise measures to counteract the activities of smugglers. Rewards are paid to those giving reliable information leading to seizures of opium.

**Dr. Ram Subhag Singh:** May I know the foreign destinations which the hon. Minister referred to?

**Shri A. C. Guha:** Opium is rather smuggled out of India more than it is smuggled inside India. The sources or the destinations are neighbouring countries like Iran, Turkey, and on this side, Burma, Indo-China and also Pakistan.

**Dr. Ram Subhag Singh:** How many persons have been detected for this smuggling?

**Shri A. C. Guha:** I have given the number of cases detected, the number of persons must have been more or less the same.

**Shri Kasliwal:** May I know whether one of the specialised agencies of the UNO has recommended the complete banning of opium cultivation?

**Shri A. C. Guha:** I would like to have notice.

**Shri Namadas:** May I know whether there is any separate department to deal with the smuggling of opium besides the customs officials?

**Shri A. C. Guha:** I think so. I have already referred to the special intelligence sections in the Customs houses.

**Shri T. N. Singh:** The figures of smuggling relate only to the sea customs or do they relate to Nepal?

**Shri A. C. Guha:** Inter-State smuggling is not included here. Only smuggling from or to outside India.

**Shri T. N. Singh:** Nepal is a foreign country.

**Shri A. C. Guha:** Inland smuggling is included in this but not inter-State.

**Shri Punnoose:** It is said that some of the officers have the advantage of studying the *modus operandi*. I want to know whether those officers practise smuggling in an expert way?

**Shri A. C. Guha:** I have no information.

#### CENTRAL DRUG RESEARCH INSTITUTE

\*1158. **Shrimati Renu Chakravarty:** (a) Will the Minister of Natural Resources and Scientific Research be pleased to state what are the important

drugs that have been discovered in the Central Drug Research Institute, Lucknow, since its inception?

(b) Which of them have been tested in clinics and with what results?

(c) How many of them are being used in Government hospitals for treatment?

(d) Have any of them been leased out for production?

**The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya):** (a) to (d). The Institute has carried out work on the synthesis of certain new anti-leprosy drugs and therapeutic trials of two synthetic anti-leprosy drugs have been arranged with a Leper institution at Faizabad, U.P.

**Shrimati Renu Chakravartty:** May I know if it is produced in a big way and by whom?

**Shri K. D. Malaviya:** The Drug Research Institute has produced this synthetic drug in the original way. It is a modification over the prevalent amino sulphone that is being used from foreign countries but our drug is in an experimental stage. As soon as the experiments have been done and therapeutic tests made, then certainly the question of manufacture will come in.

**Shrimati Renu Chakravartty:** May I know whether it has been tested in the clinics and it has also been tried in Government hospitals?

**Shri K. D. Malaviya:** I have already said it is being tried out in the Leper Institution at Faizabad, U.P.

**Shrimati Renu Chakravartty:** Under what organisation this Central Drug Research Institute functions?

**Shri K. D. Malaviya:** Under the Council of Scientific and Industrial Research.

**Shri Velayudhan:** How many scientists are working there?

**Mr. Deputy-Speaker:** You are going away.....

**Shri Velayudhan:** How many scientists are working there and how many drugs they have now tested there?

**Shri K. D. Malaviya:** They are busy with many types of work. Just now, one of the important things in which they are engaged is to examine the active principles of Indian drugs and metallic preparations.

**Dr. Jaisoorya:** Is this Institute re-studying the work done by the Haffkine Institute with regard to anti-malarial drugs?

**Shri K. D. Malaviya:** I cannot give a specific answer to this question just now.

**Shri K. K. Basu:** May I know the total annual expenditure on this Institute and also whether any foreign scientists are connected with this institute?

**Shri K. D. Malaviya:** No foreign scientists as far as I am aware. As regards annual expenditure, I am afraid, I will require notice.

**Shrimati Renu Chakravartty:** As far as I could make out from the answer of the Minister, there is no drug which has been given out for production. Is that so, or am I under a misapprehension?

**Shri K. D. Malaviya:** This Institute is still in the early planning stage. Although it has done a lot of work, just now all the work that is done is the examination of the active principles of medicine. The entire work has been divided into four sections and most of the work just now done relates to fundamental or original knowledge.

**Shri Raghavaiah:** In view of the fact that this drug has produced appreciable results, may I know what steps are being taken to produce it on a large scale and make it available to the public?

**Mr. Deputy-Speaker:** It was said that they are still testing.

**Dr. Suresh Chandra:** Since when is this Institute working?

**Shri K. D. Malaviya:** It was opened on 17th February, 1951.

**Shri V. P. Nayar:** May I know whether the research operations here are directed by any person who has himself first-hand knowledge about research?

**Shri K. D. Malaviya:** Yes Sir; that is quite so.

#### COMMONWEALTH ADVISORY COMMITTEE ON DEFENCE SCIENCE

\*1160. **Sardar A. S. Saigal:** (a) Will the Minister of Defence be pleased to state how many delegates attended the meetings of the Commonwealth Advisory Committee on Defence Science and what expenditure Government had to bear?

(b) Did the Commonwealth Service Psychologists also meet along with this?

**The Deputy Minister of Defence (Shri Satish Chandra):** (a) 45 delegates from seven Commonwealth countries including 16 delegates from India attended the meetings of the Commonwealth Advisory Committee on Defence Science recently held in New Delhi.

An expenditure of about Rs. 7000/- was incurred by Government.

(b) Yes.

**सरदार ए० एस० सहगल :** जो कामन-वैलथ कमेटी मिली थी उन लोगों ने क्या क्या निश्चित किया है इसका कोई खाका प्राप बतला सकेंगे ?

**श्री सतीश चन्द्र :** बहुत सी वैज्ञानिक बातों के बारे में चर्चा हुई, लेकिन मेरे लिए यह कहना तो कठिन है कि क्या क्या चर्चा हुई।

**श्री रघुनाथ सिंह :** क्या ऐटम बाम्ब के बारे में भी कोई चर्चा हुई थी ?

**श्री सतीश चन्द्र :** जी नहीं।

**Shri Raghavaiah:** What are the subjects discussed at this Commonwealth Defence Conference?

**Shri Satish Chandra:** Many technical subjects relating to defence science were discussed. It is very difficult for a layman like myself either to express them or understand them.

**Shri Raghavaiah:** May I know whether the philosophy of Non-violence was one of the subjects that were discussed at this Conference?

**Shri Satish Chandra:** I am not able to catch the question.

**Mr. Deputy-Speaker:** We do not require foreign experts for this. Next question.

**Shri V. P. Nayar:** One question, Sir.

**Mr. Deputy-Speaker:** Next question.

**Shri K. K. Basu:** I also wanted to ask a question about psychologists.

**Mr. Deputy-Speaker:** Another hon. Member of his Party has taken that opportunity.

**Shri K. K. Basu:** It is an individual right and not a Party right.

#### SURVEY OF YOUTH ORGANISATIONS

\*1161. **Shri Madiah Gowda:** Will the Minister of Education be pleased to state:

(a) whether any survey of Youth Organisations in India has been conducted; and

(b) the steps that are being taken to promote the welfare of the youth?

**The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya):** (a) Yes Sir.

(b) After the data collected has been examined an integrated policy will be chalked out and the programme implemented. It will be our effort to start work this year.

**Shri Madiah Gowda:** May I know whether any sums are allotted for the purpose of this organisation?

**Shri K. D. Malaviya:** As I said, the implementation of the programme that would be agreed upon will start after we have collected all the data.

**Shri Madiah Gowda:** May I know whether the data, when completely collected, will be placed before a competent Committee to examine and give advice in the matter?

**Shri K. D. Malaviya:** Yes, Sir. Under the proposal of the Seminar it is contemplated to hold a Consultative Conference to which representatives from all State youth organisations will be called and also others.

**Shri Velayudhan:** May I know whether the Indian Council of Youth is given any grant by the Government?

**Shri K. D. Malaviya:** I would require notice for that.

**Shri K. K. Basu:** May we know the manner in which the data were collected and the organisations through which these data are collected?

**Shri K. D. Malaviya:** A questionnaire was circulated and 25 organisations responded to the questionnaire.

**Shri Nanadas:** May I know for what purpose this Youth Organisation is contemplated?

**Shri K. D. Malaviya:** I would refer the hon. Member to the proceedings of the Seminar held in this connection. The objectives are very clearly mentioned there.



**Shri Punnoose:** Some reference was made to a questionnaire. May I know whether that questionnaire was given to all Youth organisations in the country?

**Shri K. D. Malaviya:** So far as I am aware, the questionnaire was sent to all Youth organisations. I do not know whether it was sent to political Youth organisations also.

**Shri Punnoose:** May I know whether in future all Youth organisations irrespective of their Party and political colour will be included to participate in the organisation?

**Shri K. D. Malaviya:** The objective of this programme is not to include among its membership political organisations of any colour but help to any one of them for non-political work is not excluded.

**Shri V. P. Nayar:** May I know whether the questionnaire has been supplied at least to the youthful Members of Parliament?

**Mr. Deputy-Speaker:** No separate organisation for them.

**Shri Nanadas:** May I know whether the sum of Rs. 20 lakhs allotted in the Budget is for this organisation?

**Shri K. D. Malaviya:** I would require notice.

#### SCHEME FOR NEW TOWNSHIPS FOR DISPLACED PERSONS

\*1162. **Sardar A. S. Saigal:** Will the Minister of Rehabilitation be pleased to state:

(a) whether Government have finalised the scheme to have new townships for displaced persons;

(b) if so, where and how many are to be built;

(c) how much money will be spent on the construction of each township; and

(d) the time by which all townships will be built?

**The Minister of Rehabilitation (Shri A. P. Jain):** (a) to (d). The labour and time involved in collecting the required information from the large number of collective constructions made all over India will not be commensurate with the results achieved. If, however, the hon. Member wants information about any one or more particular place or places, it will be supplied.

**Sardar A. S. Saigal:** May I know how many such townships are going to be erected in Madhya Pradesh?

**Shri A. P. Jain:** I would require notice. If the hon. Member shall put down a question, I shall give the answer.

**Shri M. L. Dwivedi:** The question is specific I think the hon. Minister should have given an answer to this question.

**Mr. Deputy-Speaker:** The question was with reference to the whole of India. The hon. Minister has said that it takes time and that it is not commensurate with the results.

**Shri M. L. Dwivedi:** Then, the question may have been postponed for some time.

**Shri Namdhari:** I only wanted to suggest that the hon. Minister may print a book and supply to the hon. Member.

श्री रघुनाथ सिंह : श्रीर टाउनशिप्स  
कहां बनेगे ?

**Shri A. P. Jain:** Some townships are under construction. Others will be taken in hand. It is impossible now to indicate where they will be built.

**Sardar A. S. Saigal:** When the information collected, will the Government be kind to place it on the Table of the House in due course?

**Shri A. P. Jain:** The Report of my department has been published. There is mention of Townships there. If any further detailed information about a particular township is required, a question may be put down and I shall supply the information.

**Shri Nanadas:** May I know whether there is any special provision made for displaced Harijans in these townships?

**Shri A. P. Jain:** Harijans are as much entitled to get benefits in these townships as any other person.

श्री गणपति राम : क्या मैं जान सकता हूँ कि कितने टाउन बनाये जा रहे हैं, उनमें यह गवर्नमेंट भी कुछ सहायता दे रही है ?

श्री ए० पी० जैन : वह तो सब के सब स्टेट गवर्नमेण्ट्स के जरिये बनाये जाते हैं। लेकिन पैसा तो हम देते हैं।

**Dr. Suresh Chandra:** May I know whether these new townships are built on the model of the old townships which are running at a loss?

**Mr. Deputy-Speaker:** All the townships running at a loss?

**Dr. Suresh Chandra:** My question is this: whether these new townships will be built on the model of the old townships which were built by the Rehabilitation Ministry.

**Shri A. P. Jain:** I do not understand the question.

**Mr. Deputy-Speaker:** Nor am I able to follow. Next question.

#### TECHNICAL TERMS IN HINDI

\*1163. **Shri Ram Dass:** (a) Will the Minister of Education be pleased to state whether the technical terms in Hindi as prepared under the guidance of the Board of Scientific Terminology, for use up to the High School Standard, have been finalised?

(b) If so, have Government asked several States to introduce the terms in their High Schools from 1954?

(c) Have some States been exempted from the introduction of these terms?

**The Deputy Minister of Natural Resources and Scientific Research (Shri K. D. Malaviya):** (a) No, Sir. Technical terms in Hindi in Botany, Physics, Mathematics, Chemistry and Social Sciences up to the High School Standard have been recently approved tentatively by the Board of Scientific Terminology. After printing, the lists will be circulated to all the State Governments, Universities etc. for comments before they are finalised by the Board for final adoption.

(b) and (c). Do not arise.

**Shri Ram Dass:** May I know whether Government can give some date by which it would be finalised?

**Shri K. D. Malaviya:** Every effort is being made to expedite the work.

**श्री गोविन्द दास:** अब तक इस मामले में जितनी तैयारी हो चुकी है उस पर कितना रुपया खर्च हुआ है ?

**श्री के० डी० मालवीय :** रुपये के खर्च का भण्डाज तो मैं इस समय नहीं दे सकता।

**श्री गोविन्द दास :** क्या माननीय मंत्री जी को मालूम है कि यह काम मध्य प्रदेश की सरकार और दूसरी सरकारों ने भी कुछ दूर तक किया था ?

**श्री के० डी० मालवीय :** जी, हाँ, कुछ स्टेट सरकारें इस सम्बन्ध में काम कर रही हैं।

**श्री गोविन्द दास :** तो क्या मैं यह मान लूँ कि इस सम्बन्ध में दूसरी सरकारों ने और हिन्दी साहित्य सम्मेलन ने और दूसरी संस्थाओं ने जो काम किया है उस को महेंदर रखा जायगा जब इस को एक मुस्तक़िल रूप दिया जायगा ?

#### مستتر آف ایجوکیشن ایلڈ نہیچرل

دیپارٹمنٹ سائنسز ایلڈ سائنسز ڈیپارٹمنٹ  
(مولانا آزاد) ضرور مدد دیکھا جائیگا۔  
سے یہ درخواست کی گئی ہے کہ جتنی  
بھی کام وہ کر چکی ہیں اگر اس سٹیبل  
ہورڈ کو وہ بھیج دیں تو ہورڈ کو اس سے  
مدد ملے گی۔ چنانچہ کچھ چیزیں  
آچکی ہیں جن پر سٹیبل ہورڈ دھیان  
دے رہے ہیں۔

[The Minister of Education and Natural Resources and Scientific Research (Maulana Azad): Positively; that will be kept in view. All those institutions have been requested to send their glossaries and compilations to the Central Board, as those will be of much help. Accordingly, some com-

pilations have been received and the Board is considering them.]

**Shri N. Sreekantan Nair:** May I know whether there is any scheme to write international or English names in Hindi letters?

**Shri K. D. Malaviya:** It is not the function of this Board about which I have answered the question.

**Shri V. P. Nayar:** May I take it that all the internationally accepted terms are to be translated into Hindi under this scheme?

**Shri K. D. Malaviya:** All these questions are being considered.

**सेठ गोविन्द दास :** क्या माननीय मंत्री जी को यह बात मालूम है कि जो अभी हमारे एक माननीय सदस्य ने पूछा कि कोई इंटर-नेशनल चीज इस तरह की है तो ऐसी कोई चीज दुनिया में नहीं है, और सब जगह भिन्न भिन्न भाषाओं में यह जो वैज्ञानिक शब्दावली है वह तैयार की जाती है? इसीलिये, हिन्दी साहित्य सम्मेलन ने इस सम्बन्ध में बहुत बड़ा काम किया है। और क्या माननीय मंत्री जी हिन्दी साहित्य सम्मेलन के उस काम को भी मद्देनजर रखेंगे?

**श्री के० डी० मालवीय :** जी, हां, यह मैं ने अभी माननीय सदस्य से सुना।

**उपाध्यक्ष महोदय :** मंत्री जी ने अभी यही जवाब दिया।

#### GENERAL ELECTIONS

\*1166. **Shri B. N. Misra:** (a) Will the Minister of Law be pleased to state how much expense Government have incurred over Election Tribunals upto this time in connection with the General Elections held in 1952 and what is the recurring expense over the tribunals per month since January, 1953?

(b) Has any time limit been fixed for the disposal of these cases pending before the Tribunal?

**The Deputy Minister of External Affairs (Shri Anil K. Chanda):** (a) A statement showing the expenditure incurred in connection with the Tribunals upto the 1st March 1953 is laid on

the Table of the House. [See Appendix VIII, annexure No. 14.] Regarding recurring monthly expenditure, the information will have to be collected separately and will be laid on the Table in due course, if so desired.

(b) No.

**Shri B. N. Misra:** What is the number of election tribunals in India for deciding these petitions, and how many are still functioning?

**Shri Anil K. Chanda:** The total number of tribunals set up is 63, of which 45 were functioning on the 1st of March.

**Shri B. N. Misra:** Will the Minister be pleased to state if the Government is contemplating to give jurisdiction to the respective High Courts of the States to try and hear the election petitions in future?

**Shri Anil K. Chanda:** It is not under contemplation of the Government at present.

**Shri Dabhi:** May we know the number of election petitions pending at present, in each State?

**Shri Anil K. Chanda:** State by State, or total? Altogether there were 314 election petitions of which 122 have been decided, and 192 are still pending before the tribunals.

**Shri K. K. Basu:** In view of the urgency of the thing, may we know how long Government expect it would take to decide the cases?

**Shri Anil K. Chanda:** It is very difficult to anticipate when they would be all finished.

**Shri Punnoose:** Can the Government tell us how Pepsu has the largest amount of expenditure, though the number of tribunals there is small?

**Shri Anil K. Chanda:** In Pepsu, the number of tribunals is small, but the number of cases covered is much more.

#### QUASI-PERMANENT LAND ALLOTMENT IN PUNJAB

\*1167. **Shri Ras Dass:** Will the Minister of Rehabilitation be pleased to state:

(a) when the quasi-permanent land allotment made in the Punjab State will be made permanent; and

(b) whether any dead line has been fixed after which there will be no revision of the land allotments made in the Punjab State?

**The Minister of Rehabilitation (Shri A. P. Jain):** (a) The question can arise only after the rights, title and interests of the evacuees in the land have been extinguished by law.

(b) No allotment made under the quasi-permanent land allotment scheme can be cancelled or varied after the 22nd July, 1952, except in the circumstances enumerated in the statement laid on the Table of the House. [See Appendix VIII, annexure No. 15.]

**Shri Gidwani:** When is it contemplated to extinguish the titles and rights of the evacuees?

**Shri A. P. Jain:** The matter is under consideration of the Government.

**Shri Nanadas:** May I know whether this land belongs to the Government or it is acquired from private proprietors?

**Shri A. P. Jain:** The land belongs to persons who have migrated to Pakistan and have become evacuees.

#### RE-CLASSIFICATION OF CITIES

\*1168. **Shri Vittal Rao:** Will the Minister of Finance be pleased to state whether any decision has been arrived at in connection with the re-classification of cities according to population for the purpose of compensatory allowance granted to Central Government employees?

**The Deputy Minister of Finance (Shri M. C. Shah):** Yes Sir, necessary orders have been issued.

**Shri Vittal Rao:** May I know whether the employees will be paid with retrospective effect from 1st April, 1951, the date when the census was completed?

**Shri M. C. Shah:** No, Sir. These orders will take effect from 1st October, 1952.

**Shri Punnoose:** May I know if the Government is aware of such an assurance given by the Railway Minister to the employees?

**Shri M. C. Shah:** I am not aware.

**Sardar A. S. Saigal:** Is it a fact that Poona is re-classified for the employees of the Central Government?

**Shri M. C. Shah:** Yes, Sir.

**Sardar A. S. Saigal:** Will they get the benefit from 1st April, 1953?

**Shri M. C. Shah:** No. They will get the benefit from 1st October, 1952.

**Shri Vittal Rao:** May I know the reason for deviating and paying them from 1st October, 1952, when the census was completed in April, 1951?

**Shri M. C. Shah:** That matter was considered and orders were passed on 16th March, 1953, and the orders will come into effect from 1st October, 1952. The provisional population figures came before the Department and immediately the matter was taken up; then, the final figures came, and Government have passed orders.

**Shri Vittal Rao:** The census figures were published as long ago as 1952.

**Mr. Deputy-Speaker:** The hon. Member is getting into an argument which is not accepted.

#### NATIONAL SAVING SCHEME

\*1157. **Shri Jasani:** (a) Will the Minister of Finance be pleased to state whether the department opened by the Government of India for the National Savings Scheme is permanent or temporary?

(b) What are the facilities given to the employees working in this department for doing propaganda for the work entrusted to them?

**The Parliamentary Secretary to the Minister of Finance (Shri B. R. Bhagat):** (a) The organisation is temporary.

(b) The field staff is given publicity literature for distribution to the public. Gramophones and records are provided for use at meetings organised and addressed by the field staff. Publicity vans are also maintained.

**Shri K. G. Deshmukh:** May I know whether this organisation will be made permanent or will remain temporary as it is?

**Shri B. R. Bhagat:** The question of making the organisation permanent has been receiving attention from time to time. The final decision has, however, been deferred till the final reactions of the State Governments and the results of the latest schemes for small savings by the Centre and the States are known and assessed.

**Shri Damodara Menon:** May I know whether non-official organisations are assisting the scheme?

**Shri B. R. Bhagat:** I am not sure, Sir.

**Shri B. N. Misra:** Will the Minister be pleased to inform the House as to the total amount that has been collected last year?

**Shri B. R. Bhagat:** In 1952/53, the revised estimate is Rs. 44 crores.

**Sardar A. S. Saigal:** May I know how many women's organisations are giving help in this drive for national saving by the Government?

**Shri B. R. Bhagat:** They have organised a national savings week—all the States have done so. But, I cannot give the number.

**Shri S. V. Ramaswamy:** What is the annual cost of the scheme, and what proportion does it bear to the amount collected in the year?

**Shri B. R. Bhagat:** In the year 1952/53, it is hardly one per cent. As against the estimated receipt of Rs. 44 crores, the estimated expenditure is likely to be Rs. 37 lakhs.

**Shri Dabhi:** May we know the amounts collected State-wise per year?

**Shri B. R. Bhagat:** I have not got the details.

**Shri Punnoose:** May I know the salary and allowances of the head of this Department?

**Shri B. R. Bhagat:** For these details I would like to have notice.

**Shri V. P. Nayar:** May I know whether it is a fact that about a year ago, one of the Members of Parliament belonging to the Government's party sent a complaint against the working of this department, and may I also know whether or not a confidential enquiry was ordered to be made through the special branch?

**Shri B. R. Bhagat:** I am not aware of that complaint. I can take this information from the hon. Member.

**Mr. Deputy-Speaker:** Next question, No. 1164.

**Shri Vittal Rao:** Can I put the question, Sir?

**Mr. Deputy-Speaker:** Yes.

**Shri Vittal Rao:** No. 1164.

#### HYDERABAD COUNSELLOR

\*1164. **Shri Vittal Rao:** Will the Minister of States be pleased to state:

(a) whether any further extension would be given to the present Hydera-

bad State Counsellor whose extended period of service ends by the end of March 1953; and

(b) whether the office of the State Counsellor in Hyderabad State would be abolished henceforth according to the view expressed by the Chief Minister of that State or whether it would be continued even after the retirement of the present Counsellor?

**The Deputy Minister of Home Affairs (Shri Datar):** (a) and (b). Mr. Vellodi relinquished charge as State Counsellor on the 30th March 1953. The question whether the office of the State Counsellor in Hyderabad should be continued or held in abeyance is under consideration.

**Shri Vittal Rao:** May I know whether the Government are aware of the fact that the people of Hyderabad State are opposed to this appointment of a State Counsellor?

**Shri Datar:** Government are aware that only a section is opposed.

**Shri Kasliwal:** May I know whether it is the settled policy of the Ministry of States to do away with the State Counsellors?

**Shri Datar:** That policy itself has to be settled.

**Shri Kasliwal:** May I know whether at the present moment, Rajasthan is the only State in which a State Counsellor is functioning?

**Shri Datar:** It might be so.

**Shri Heda:** May I know whether the Hyderabad Government have expressed their views to the Central Government in this regard?

**Shri Datar:** I am not aware.

**Shri Punnoose:** May I know the approximate date on which this Counsellor is likely to be called back?

**Shri Datar:** This Counsellor has already left Hyderabad. As I stated earlier, Mr. Vellodi relinquished charge as State Counsellor, on the 30th March 1953.

**Dr. Jaisooriya:** The hon. Minister stated that a section wanted the recall of the Counsellor from Hyderabad. Is he aware that the Government of Hyderabad itself wanted his recall?

**Shri Datar:** I have no information at present.

**सरदार ए० एस्० सहगल :** क्या मंत्री महोदय यह बतलाने की कृपा करेंगे कि कौन २ सी एसी स्टेड्स हैं जहां स्टेड कौंसिलरों को फिर से नियुक्त करने पर कोई भी प्रोत्साहन नहीं दिया जायगा ?

**Shri Datar:** I should like to have notice of this question.

**Shri Vittal Rao:** What are the special reasons that weighed with the Government in appointing two Counsellors for Hyderabad, one, the State Counsellor, and the other the Financial Counsellor?

**Shri Datar:** The special reason was the desire of the Hyderabad Government.

**Shri Sivamurthi Swami:** May I know whether the expenses of this Counsellor are met by the State's Ministry or the Central Government?

**Shri Datar:** I should like to have notice.

**Mr. Deputy-Speaker:** All the questions are over. I will try to put some more questions in future. Sometimes it so happens that we finish off all the questions.

## WRITTEN ANSWERS TO QUESTIONS

### *Arab-ki-Sarai*

\*1152. { **Sardar Hukam Singh:**  
**Shri Ajit Singh:**

Will the Minister of Rehabilitation be pleased to state:

(a) whether all machines in the training-cum-work Centre at "Arab-ki-Sarai", Delhi, are being worked during these days;

(b) whether any Japanese experts are still there to give training; and

(c) the number of workers trained in this Centre up to the 31st December, 1952 and the number of trainees employed in the Centre itself after completion of their training?

**The Minister of Rehabilitation (Shri A. P. Jain):** (a) Yes.

(b) No.

(c) (i) 696 upto 31st December, 1952.  
(ii) Trainees employed at the Centre itself after completion of training course ..... 5.

### POST GRADUATE STUDIES OF DISPLACED PERSONS

\*1153. { **Sardar Hukam Singh:**  
**Shri Ajit Singh:**

(a) Will the Minister of Rehabilitation be pleased to state whether Government have given help to any displaced persons from West Pakistan for their post graduate studies?

(b) What is the number of displaced persons who were helped with stipends in colleges for training in Art, Science and technical courses?

**The Minister of Rehabilitation (Shri A. P. Jain):** (a) Yes.

(b) The information is being collected and will be laid on the Table of the House in due course.

### VALUES OF PROPERTY HELD BY OFFICIALS OF CENTRAL EXCISE DEPARTMENT IN ORISSA

\*1159. **Shri Sanganna:** Will the Minister of Finance be pleased to state:

(a) whether the nature and values of properties, both movable and immovable, held by each class of officials of the Central Excise Department in Orissa, before their entry into Government service and thereafter once every year are being declared to Government; and

(b) whether any of these officers have been found after such declaration to have infringed the relevant provisions of the Government Servants' Conduct Rules prescribed thereto?

**The Deputy Minister of Finance (Shri M. C. Shah):** (a) No; the rule provides for such declaration in respect of immovable property only.

(b) No.

### JOOM CULTIVATION

\*872. **Shri Dasaratha Deb:** Will the Minister of States be pleased to state:

(a) the number of Joomias in Tripura who are entirely dependent on joom cultivation for their maintenance;

(b) whether the Department of Agriculture has issued any leaflet asking people to give up joom cultivation; and

(c) if so, what provision Government have made for the maintenance of these Joomias?

**The Minister of Home Affairs and States (Dr. Katju):** (a) 20,000 approximately.

(b) Yes both in Bengali and Tripura languages.

(c) Efforts are being made by Government to settle the Joomias on plough cultivation. A sum of Rs. 20,000/- was spent during 1952-53 on doles and loans granted to them. A provision of Rs. 30,000/- has also been made for the year 1953-54.

#### LEASING OUT OF *Khas* LAND

**873. Shri Dasaratha Deb:** (a) Will the Minister of States be pleased to state whether the Government of Tripura realises money from the tenants at the time of giving settlement to their *Khas* land?

(b) If so, what is the rate of such "Salamis"?

(c) By what tenancy legislation are Government guided in realising these "Salamis"?

**The Minister of Home Affairs and States (Dr. Katju):** (a) Yes.

(b) From Rs. 2 to Rs. 50 according to the quality of land.

(c) The question of tenancy legislation for Tripura is under consideration. Meanwhile these collections are made in accordance with the orders of the former State Government.

#### GOVERNMENT ADVERTISEMENTS IN TRIPURA

**874. Shri Dasaratha Deb:** (a) Will the Minister of States be pleased to state on what principle the Government of Tripura allot Government advertisements to the local newspapers?

(b) To which local newspapers are Government advertisements generally given?

(c) What was the total number of Government advertisements given to the "Janakalyan", "Chioha" and "Tripurar Kathor" during the last six months?

(d) Did any of the local papers get any subsidy?

(e) If so, what are their names and what was the total amount of subsidy in terms of rupees?

**The Minister of Home Affairs and States (Dr. Katju):** (a) Government advertisements are given to selected local newspapers. The selection is made on the basis of the standing of the paper, the extent of its circulation and other relevant factors.

(b) 'Ganaraj'

'Janakalyan'

'Amader Katha'.

(c) Paper Number of advertisements given.

Janakalyan 22

Chioha nil

Tripurar Kathor nil

(d) No.

(e) Does not arise.

#### राजस्थान के किले

८५७. श्री बलवन्त सिंह मेहता : क्या रक्षा मंत्री यह बतलाने की कृपा करेंगे :

(क) राजस्थान के किलों की संख्या और इनमें से कितने रक्षा विभाग के प्रत्यक्ष प्रधीक्षण में हैं ; तथा

(ख) रक्षा विभाग के प्रत्यक्ष प्रधीक्षण में रहने वाले किलों का किस प्रकार उपयोग किया जा रहा है और उन पर क्या वार्षिक व्यय किया जा रहा है ?

**The Minister of Defence Organisation (Shri Tyagi):** (a) and (b). There are eleven forts in Rajasthan State which are of national importance, and have been declared as protected monuments by the Government of India.

Only one fort in Udaipur, namely INDERGARH, which was originally occupied by the former State Forces, is now under the control of the Ministry of Defence. It has been given to the Rajasthan Government for the use of their police Department. No expenditure on its maintenance has so far been incurred by the Defence Ministry.

#### RELEASE OF OFFICERS OF INDIAN ARMY

**876. Shri Lakshman Singh Charak:** (a) Will the Minister of Defence be pleased to state the total number of officers of the Indian Army of Indian Origin released after the second world war, together with their age groups?

(b) How many out of this number were provided with employment in the Civil Departments of the Government of India and the States?

**The Deputy Minister of Defence (Shri Satish Chandra):** (a) 1507 Indian officers were released from the Army from the 15th August 1947 to the 31st January 1953. (Figures before the 15th August 1947 are not available).

Information on the age group of officers released before the 1st April 1950 is not available. The required information for the period 1st April 1950 to 31st January 1953 is being collected and will be laid on the Table of the House.

(b) 341 ex-Service officers were found employment under Government. Similar statistics before 1950 are not available.

#### FOREIGN BANKS IN INDIA

**877. Shri S. C. Singhal:** Will the Minister of Finance be pleased to state:

(a) the latest figures relating to the amounts of deposits in foreign banks and Indian Scheduled banks with the percentage of deposits of Indians and non-Indians; and

(b) the investment of money by banks by both classes in Indian and non-Indian concerns?

**The Deputy Minister of Finance (Shri M. C. Shah):** (a) and (b). A ment showing the latest figures of statement showing the latest figures of Scheduled banks in India as on the 26th December, 1952, is given below:—

(Amount in lakhs of rupees)

	Foreign Schedule banks	Indian Scheduled banks
A. Deposits	173.96	648.03*
B. Total investments	45.92	301.53*
C. Advances, including bills discounted.	126.52	341.76*

\*Figures relating to the Calcutta National Bank Ltd., and the Dinajpore Bank Ltd., are not included here as the banks are not functioning normally at present.

(2) Government has no information either regarding the amounts of deposits held in these banks by Indians and non-Indians separately, or about the investments made by both classes of banks in Indian and non-Indian concerns.

#### RELEASE OF CREW OF MOTOR LAUNCH

**878. Shri Gidwani:** (a) Will the Minister of Finance be pleased to state whether it is a fact that ten persons stated to be the crew of a Motor Launch on its way from Bombay to Goa were arrested under the Foreigners Act and were detained in Jail in Ratnagiri?

(b) Is it a fact that almost all the crew were of Pakistan Nationality and did not possess any visa or Seamen's Certificates?

(c) Is it a fact that the Motor Launch left Bombay on the 13th December, 1952 with a clearance certificate of 'empty'?

(d) Is it a fact that the Motor Launch had to take shelter in Ratnagiri Port owing to engine trouble?

(e) Is it a fact that the Customs Officials on searching the Launch at Ratnagiri Port found that it contained some machinery and reported the matter to the Police?

(f) Is it a fact that the crew had been subsequently released?

(g) Did Government hold any enquiry into the whole matter?

(h) If so, what is the result of such enquiry?

**The Deputy Minister of Finance (Shri M. C. Shah):** (a) The crew of the Motor Launch 'Padam', consisting of ten persons were arrested under the Foreigners Order 1948, and were produced within twenty-four hours before the Sub-Divisional Magistrate F.C., Ratnagiri Division, who passed orders for their detention under the Preventive Detention Act. They were detained in Ratnagiri Jail.

(b) Yes, Sir. None of them had either a visa or a Seamen's Certificate on arrival at Ratnagiri.

(c) The Motor Launch 'Padam' left Bombay on the 11th December 1952 and an export manifest (which gives the list of goods carried) was filed in respect of it, showing that it carried no cargo on board.

(d) Yes, Sir.

(e) The Customs Officer, Ratnagiri, examined the Motor Launch on her arrival at Ratnagiri and found on board un-manifested cargo comprising machinery, provisions, mattresses, hardware etc. of the value of about Rs. 12,000/-. As it was suspected that an attempt was being made to export the goods unauthorisedly (without an export licence) to Goa, they were



seized by the Customs Officer, but on finding that the crew were Pakistan Nationals, had no passport or visa, and had arrived in suspicious circumstances, the Customs Officer handed them over to the Police for interrogation.

(f) The crew were released by the Police on the 23rd December 1952 with a warning that they will not be permitted to re-enter India without valid passports and visas if they proceeded to Goa.

(g) and (h). The result of investigations made in the matter is as follows:—

The Launch 'Padam' was boarded and searched by a Customs Officer at Bombay before departure and nothing objectionable was found. The goods seized at Ratnagiri were picked up by the Launch unauthorisedly perhaps after leaving Bombay. The spare parts of the machinery found on board at Ratnagiri, were intended for the use of the Launch as also of another one belonging to the same owner which is operating in Goa and the other articles were meant for the use of the crew.

The Collector of Central Excise, Bombay, who adjudicated the case, imposed a penalty of Rs. 100/- on the master of the vessel and Rs. 400/- on the owners thereof under section 167(16) read with section 167(8) of the Sea Customs Act, 1878 (VIII of 1878). The goods were allowed to be exported on the condition that the owner executed a bank's guarantee for Rs. 4,000/- or deposited an equal amount in cash binding themselves to re-import the machinery, namely, the welding generator in two parts and two lighting sets with engine along with the Motor Launch.

The Police released the crew with a warning as a result of a decision taken by the Bombay Government.

#### REVISION PETITIONS REGARDING ALLOTMENT OF LANDS

**879. Shri Madhao Reddi:** Will the Minister of Rehabilitation be pleased to state the number of revision petitions regarding the allotments of lands (rural section) in the Punjab State which could not be disposed of by the Custodian-General, Provincial Custodian, and Provincial Additional Custodian of Evacuee Property up to the 21st July, 1952?

**The Minister of Rehabilitation (Shri A. P. Jain):**

Custodian General	946
State Custodian	36
State Additional Custodian (R)	1134.

#### EXCISE DUTY ON BIDI TOBACCO

**880. Shri Jasani:** Will the Minister of Finance be pleased to state the total amount (State-wise) of Excise Duty recovered on account of Bidi Tobacco in the year 1952-53 by the Central Government?

**The Deputy Minister of Finance (Shri M. C. Shah):** A statement is laid on the Table of the House. [Sec Appendix VIII, annexure No. 16.]

#### M.E.S. CONTRACTS

**881. { Sardar Hukam Singh:  
Shri Bahadur Singh:**

(a) Will the Minister of Defence be pleased to state whether the M.E.S. contracts for the sums above one lakh of rupees are sanctioned by the Chief Engineer of the Command?

(b) What was the number of such contracts sanctioned by the Eastern, Western and Southern Commands respectively during the post-Partition period?

(c) What was the total value of such contracts?

(d) What was the total value of the works completed upto the 31st December, 1952?

(e) What was the amount paid out of the sum referred to in part (d) above?

**The Minister of Defence Organisation (Shri Tyagi):** (a) Yes.

(b) to (e). A statement is placed on the Table of the House. [See Appendix VIII, annexure No. 17.]

#### CONTRACTS FOR WORKS DONE BEFORE AUGUST 1947

**882. { Sardar Hukam Singh:  
Shri Bahadur Singh:**

(a) Will the Minister of Defence be pleased to state whether any claims on account of contracts for works done before August, 1947 for Defence Departments (M.E.S., Army Remount and others) were referred to Pakistan for verification after Partition?

(b) If so, what was the value of the claims so referred?

(c) What is the value of the claims verified so far by Pakistan?

(d) Have payments of all verified claims been made?

**The Minister of Defence Organisation (Shri Tyagi):** (a) Yes. 2396 claims were referred to Pakistan authorities.

(b) 78.48 lakhs.

(c) 10-15 lakhs;  
 (d) Claims totalling Rs. 9-11 lakhs have been paid. A sum of Rs. 1-04 lakhs out of the verified claims has yet to be paid.

#### INSTITUTES FOR DISPLACED BOYS

883. { **Sardar Hukam Singh:**  
**Shri Bahadur Singh:**

Will the Minister of Rehabilitation be pleased to state:

(a) the number of displaced boys of school going age in Delhi;

(b) the number of such boys admitted in Delhi schools; and

(c) the number of institutions specially started for these boys?

**The Minister of Rehabilitation (Shri A. P. Jain):** (a) to (c). The information is being collected and will be laid on the Table of the House in due course.

#### GRANTS FOR SOCIO-ECONOMIC UPLIFT OF Adivasis

884. **Shri Sanganna:** (a) Will the Minister of Home Affairs be pleased to state, out of the Central grants placed at the disposal of the States for socio-economic uplift of Adivasis and the Scheduled Castes during the financial year 1952-53, what ratios of distribution under the following heads have been adopted by the respective States (i) Education (ii) Agriculture (iii) Construction of rural roads and (iv) Supply of water in the rural areas?

(b) What proportions do the contributions made by the respective States under the above Heads bear to the Central Grants?

**The Deputy Minister of Home Affairs (Shri Datar):** (a) and (b). A statement showing the grants given under Article 275 of the Constitution to the various State Governments for the implementation of schemes for the welfare of Scheduled Tribes and raising the level of administration of Scheduled Areas is laid on the Table of the House. [See Appendix VIII, annexure No. 18.]

There is no provision in the Constitution for giving grants to States for the welfare of Scheduled Castes.

#### IMPHAL TOWN FUND

885. **Shri Rishang Keishing:** Will the Minister of States be pleased to state:

(a) the annual income and expenditure of the Imphal Town Fund during the years 1951-52 and 1952-53;

(b) the main sources of income and Heads of expenditure during the above mentioned years;

(c) when, how and who generally makes the budget estimates and allotments in respect of the Imphal Town Fund;

(d) who generally audits the account of the Imphal Town Fund; and

(e) how the tax payers can know the annual income and expenditure of the Imphal Town Fund?

**The Minister of Home Affairs and States (Dr. Katju):** (a)—

Year	Income	Expenditure
1951-52	Rs 1,86,154-14-9	Rs. 88,371-4-6
1952-53 (April 1952 to February 1953)	Rs. 2,62,629-7-9	Rs. 2,25,650-15-10

(b) A statement showing the details is placed on the Table. [See Appendix VIII, annexure No. 19.]

(c) The Town Fund Committee prepares the Budget Estimates and allotments in the month of March of every year subject to the approval of the Chief Commissioner.

(d) The Accountant General, Assam.

(e) The information can be obtained from the Town Fund Committee Office.

#### TRANSFER AND VERIFICATION OF G.P.F. AND PENSION CLAIMS BY PAKISTAN

886. **Shri Gidwani:** (a) Will the Minister of Rehabilitation be pleased to state whether the provisions of Indo-Pakistan agreement with regard to the transfer and verification of the General Provident Fund and Claims for pension have been implemented by Pakistan?

(b) What is the aggregate sum for which such claims have been filed under different categories up to the 31st January, 1953?

(c) What is the amount verified by Pakistan?

(d) What amount has been paid to claimants so far?

(e) Has any amount of money been received from Pakistan with regard to these claims?

**The Minister of Rehabilitation (Shri A. P. Jain):** (a) Yes.

- (b) (i) G.P. Fund—Rs. 71.29 lakhs.  
(ii) Pension—Rs. 2.05 lakhs per month.
- (c) (i) G.P. Fund—Rs. 13.61 lakhs.  
(ii) Pension—Rs. 42,950 and £79/- per month.

(d) The amounts verified by Pakistan as given against part (c) have been authorised for payment. Information about the amounts actually paid is being collected and will be laid on the Table of the House in due course.

(e) Under the existing arrangements between the two countries each Accounts Officer in India will prepare and send to the Accounts Officer in Pakistan, at whose instance payment has been made, a schedule of debits. On receipt of a similar schedule from the Accounts Officer in Pakistan, the net amount payable or receivable will be arrived at from the inward and outward schedules exchanged between the two Accounts Officers, and the payment of the net amount due to either country will be made by means of a demand draft. The amount of money received from Pakistan with regard to these claims under this arrangement is being collected from the Accounts Officers concerned, and a statement will be laid on the Table of the House as soon as possible.

#### CONSTRUCTION OF WELLS AT GURGAON

**887. Shri Jangde:** Will the Minister of Home Affairs be pleased to state:

(a) whether the Special Police Establishment received complaints about fraud in the construction of wells at Gurgaon, by the Delhi Aviation Division, C.P.W.D.; and

(b) if so, whether any investigations were made into the matter and the results thereof?

**The Minister of Home Affairs (Dr. Katju)** (a) A complaint was received by the Special Police Establishment in August 1950 with regard to 14 works carried out by the Central Public Works Department. Amongst these there was a reference to certain wells constructed at the Gurgaon landing ground during 1943. This complaint did not supply specific details.

(b) These matters were gone into in association with the complaint and

it was found on investigation that there was no material evidence making out an offence. This particular complaint was too vague and old to be capable of verification. The investigation was therefore closed.

#### विश्वविद्यालयों को अनुदान

**८८८. सेठ गोविन्द दास :** क्या शिक्षा मंत्री यह बतलाने की कृपा करेंगे कि क्या सरकार राष्ट्रभाषा की उन्नति और प्रचार की दृष्टि से हिन्दी माध्यम द्वारा उच्चतम शिक्षा देने वाली संस्थाओं और विश्वविद्यालयों को कुछ विशेष अनुदान देने का विचार कर रही है ?

**The Minister of Education and Natural Resources and Scientific Research (Maulana Azad):** Except in the case of the Central Universities, University education, regardless of the medium of instruction, is the responsibility of State Governments. A scheme for the expansion of the Hindi Departments at the Delhi and Banaras Hindu Universities has already been accepted in principle and grants sanctioned to them. Schemes for the development of Hindi Departments in the Universities of Visva-Bharati, Nagpur, Madras, Annamalai, Allahabad and Lucknow are also under consideration.

#### TRAINING OF DISPLACED PERSONS IN ARTS AND CRAFTS IN PUNJAB

**889. Prof. D. C. Sharma:** (a) Will the Minister of Rehabilitation be pleased to state how many displaced persons were trained in different Arts and Crafts in the years 1951 and 1952 at different training centres in the Punjab?

(b) How many of them were given Government aid as loan or grant to pursue the crafts they were trained in?

(c) What amount was given on loan or grant during this period to such trained persons?

**The Minister of Rehabilitation (Shri A. P. Jain):** (a) to (c). Information is being collected and will be laid on the Table of the House in due course.

#### AUDIT REPORTS OF DEFENCE SERVICES

**890. Sardar A. S. Saigal:** (a) Will the Minister of Finance be pleased to state whether the Audit Reports of different Defence Services for 1949-50

and 1950-51 have been placed before the Parliament?

(b) If not, when do Government propose to place these Reports before the House?

**The Deputy Minister of Finance (Shri M. C. Shah):** (a) and (b). The Audit report for 1949-50 is expected to be placed on the Table of the House during the current Session.

The Report for 1950-51 has not yet been submitted by the Comptroller & Auditor General to the President, the reason being that the audit of certain heavy transactions could not be completed on account of delay and difficulty in obtaining the relevant documents for audit until recently. It is expected that the Report for 1950-51 will also be laid on the Table of the House during the Current Session.

#### INTERNATIONAL STUDENTS RELIEF

**891. Shri K. Subrahmanyam:** (a) Will the Minister of Education be pleased to state whether Government are aware of the existence of an organisation called the International Students' Relief?

(b) Is any branch of that organisation functioning in India?

(c) What are its activities and who are its office-bearers?

**The Minister of Education and Natural Resources and Scientific Research (Maulana Azad):** (a) Yes, Sir.

(b) The information required is being collected; and

(c) Will be supplied later.

#### BASIC EDUCATION

**892. Shri T. S. A. Chettiar:** Will the Minister of Education be pleased to state:

(a) how much is proposed to be spent on basic and how much on social education out of Rs. 198 lakhs provided for the same in the budget for 1953-54; and

(b) what proportion of it is proposed to be allotted to the States to be spent at their discretion and how much is proposed to be distributed direct to institutions?

**The Minister of Education and Natural Resources and Scientific Research (Maulana Azad):** (a) and (b). No separate allocation has yet been made for Basic and Social Education, as the actual distribution will depend mainly on the plans submitted by the States. The whole matter is under examination.

## PARLIAMENTARY DEBATES

(Part II—Proceedings other than Questions and Answers)

## OFFICIAL REPORT

3619

3620

## HOUSE OF THE PEOPLE

Saturday, 4th April, 1953

*The House met at Two of the Clock.*

[MR. DEPUTY-SPEAKER in the Chair]

## QUESTIONS AND ANSWERS

(See Part I)

2-44 P.M.

## LEAVE OF ABSENCE

**Mr. Deputy-Speaker:** I have to inform the hon. Members that I have received the following letter from Shri Kamakhya Prasad Tripathi:

"I left India for Havana (Cuba) as workers' delegate on 12th March, 1953, to attend the Second Session of the Plantation Committee of the International Labour Organisation. The Committee will conclude on 28th March, 1953. Thereafter, I intend to tour the United States of America for two months studying labour problems. I pray that leave be granted for the period of absence from the Parliament."

Is it the pleasure of the House that permission be granted to Shri Kamakhya Prasad Tripathi for remaining absent from all the meetings of the House with effect from the 12th March, 1953, till the end of the current session?

Leave was granted.

## DEMANDS FOR GRANTS

**Mr. Deputy-Speaker:** The House will now proceed with further discussion of the Demands for Grants relating to the Ministry of Commerce and Industry.

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When does the hon. Minister desire me to call him today?

**The Minister of Commerce and Industry (Shri T. T. Krishnamachari):** I am entirely in your hands.

**Mr. Deputy-Speaker:** It largely depends on what the hon. Minister wants to say and how long he will take.

**Shri T. T. Krishnamachari:** Anything between 30 to 45 minutes, that the Chair fixes.

**Mr. Deputy-Speaker:** Then at 4-15 P.M. I shall call upon the hon. Minister. I will have to apply the guillotine at 5 P.M. so that we may proceed to transact some other business.

**Shri A. M. Thomas (Ernakulam):** It is not to accord with any conventional form that I wish to congratulate the Ministry of Commerce and Industry on the excellent work that it has done during the year 1952. It goes without saying that having regard to the present world conditions, the commercial as well as the industrial policy of the Government will leave its impact on its prosperity. Our commercial and industrial policy has necessarily to be modelled on the Plan which we are working. Policies, have, however, to be adapted to the changing conditions that occur now and then.

A review of the developments in all the spheres of working of the Commerce and Industry Ministry discloses a masterly grasp of the situation, and the Ministry deserves our tribute for the vigour it has displayed. The administrative control that the Ministry has exercised is really commendable. Speaking from experience, we have devoted a substantial part of our Parliamentary time and our energy in the disposal of work placed before us by the Commerce and Industry Ministry, ever since the new House has come into existence after the elections. The Ministry was, as it should be—if I

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may use a colloquial expression—humming with activity. It has to its credit during the last year several enabling enactments, and several others are in store for consideration and passing. The year 1952 has been characterised in the report itself, that has been supplied to us by the Ministry, as a particularly difficult year. It is gratifying to note that there has been record production in several spheres, although my hon. friend Shri V. P. Nayar from the very same figures supplied to us, may argue otherwise. I am not surprised at his approach. That is only a sort of voluntary blindness on his part, and his policy is only to carry on a tirade against the Commerce and Industry Ministry, and he will not allow himself to be influenced by the real figures that have been supplied by the Commerce and Industry Ministry.

**Shri V. P. Nayar** (Chirayinkil): It is your enforced blindness.

**Shri A. M. Thomas:** From the figures it has been found that there is a per capita production of about 14 yards of cloth, but he argues that it will be only about nine yards or so. We have only to ignore such criticism coming from such corners. Side by side with the increase in production, several industries were having particularly difficult times. The handloom industry and some other cottage industries had to face the worst conditions. The various influences which affected the fortunes of both the mill and the handloom industry do not reflect much credit on the part of the Government, as far as the latter is concerned. I am not unaware of the notable steps taken by the Government, but the chief difficulty has been that the Government was very slow to act in this regard. The miseries of the vast number of people engaged in the handloom trade were brought to the notice of the Government in the early stage itself. But the Government waited till the affairs got out of control. I do not minimise the pros and cons of the particular problems the Government have to consider. For example, the 60 per cent. limit in the case of the mills in the manufacture of *dhoties* has been favourably received as well as adversely commented upon. I understand that the very same Governments which were urging protection to handloom had applied for exemption from this limit that has been prescribed. Hon. Members of the Opposition were never tired of pleading the cause of saving the handloom industry from the competition of the

mill industry, but curiously enough the other day, the Communist Member, Shri Raghavaiah asked a supplementary question to the Minister of Commerce and Industry to the effect whether having regard to the restrictions imposed, the production of the mills would not suffer and thereby several people thrown out of employment. We are in a way travelling in a vicious circle and the Commerce Ministry finds itself on the horns of a dilemma. That has to be admitted. It is alright inquiring into the inter-relation and appropriate place of Khadi and the handloom in the national economy. It has a definite place and it must be also encouraged to survive. The estimated figure of handlooms in 1951 is 28 lakhs of looms, the largest being in Madras—the figure of 8.4 lakhs—and in my own State it is next in importance only to the coir industry. In Travancore-Cochin there are about 84,000 handlooms and it is estimated that when there was a limited supply of yarn, the outturn was about 40 lakhs yards of all varieties worth about 50 lakhs of rupees. There are expert weavers in the southern part of our State.

Producers were nervous about the decline in prices in the tea industry and made representations even as early as April, 1952. By the time the Government moved in the matter and the official team submitted its report, many gardens closed down. Being an organised industry, the Government could have obtained facts and figures and helped the industry when help could have been of immense use. Till January this year nothing was done. The official team finally toured and submitted its report, and now the appointment of another expert team is being contemplated. When help was rendered in the shape of exemption of duties, it was for a product which was practically useless. The results we all know and the Government had to withdraw the step that was taken.

The Commerce Ministry deserves to be congratulated for the growing consumption of tea in the internal market. We find that it has increased within the last six years from 120 million pounds to over 180 million pounds. That will be about cent per cent increase over the 1939 figure.

The difficulties that the rubber industry experiences have already been brought to the notice of the Ministry before and it is gratifying to note that the Ministry is taking some steps.

**An Hon. Member:** What steps?

**Shri A. M. Thomas:** Before referring to some other points, I wish to refer to coffee prices also. The Ministry was expressing discontent on the rise in prices, but the Chairman of the Coffee Board accuses the Ministry for allowing exports of coffee when the prices were increasing. The Commerce Ministry has to explain its attitude with regard to this matter.

Before closing I wish to refer to an important fact which influences and affects the lives of the people in the West coast, and that has not been considered or discussed in the report of the Ministry of Commerce and Industry. I would like to refer to the cash crops of that area viz., pepper, cardamom, cashew-nuts, ginger, turmeric and lemon grass. They are the chief sources of livelihood as far as my State and Malabar are concerned. Pepper has emerged as an important dollar earner. Cashew-nuts also have figured prominently. More than two-thirds of the total demand for these two products are met by India. Indian exports of pepper reached the peak of over 320,000 cwts. valued at Rs. 24 crores in 1950-51 and in the following season, 1951-52, they have dwindled to 270,000 cwts. valued at 19 crores. So far as cashew-nut exports are concerned, in 1950-51 they rose to 24,000 tons valued at 9.54 crores. In 1951-52, it was 25,000 tons valued at 11.45 crores. However, there have been in the past frequent booms and depressions and they have been the characteristics of the cash crops trade of Kerala. Lemon grass, a valuable raw material for perfumery and the aromatic industry, is grown widely in Malabar, Travancore-Cochin and South Kanara. The prices now prevailing are so low that they are below the cost of production. It is curious that India with its supply of ginger is importing ginger oil and oleo resin.

I would again invite the attention of hon. Members to some figures with regard to pepper. The production varies from 18 to 23 thousand tons and we are exporting about 13 to 18 thousand tons and earning exchange of about 18 to 25 crores. Last year it was only 18 crores. We got an export duty of five crores on pepper itself in a particular year. So, it is the duty of the Government to see that this industry flourishes and devote its attention both to the agriculture side and the merchandising side of this industry. About 20 per cent. of our total export to America was held up last year due to insect infestation. If the Government had instituted a system of quality inspection of consignments, this fate

would not have befallen the 20 per cent. of the exports that we made.

The main causes of this infection are premature picking and adulteration. The hon. the Commerce Minister once stated that he was proposing to set up a fumigating plant at Cochin. I do not know how far the proposal has progressed and whether anything has been done in this matter. I may also suggest that we should have consultations with established organisations and Chambers of Commerce to institute some research test so that the quality may be assured. The important country with which we have to compete in the matter of pepper is Indonesia. On the lines of agreements we have entered into with regard to tea, is it not also possible to enter into agreements with regard to products such as pepper and lemon grass oil for which the competing countries are only few? With regard to lemon grass, we are exporting about 400 to 600 tons of oil. The product of India has the highest citral content and solubility. The production varies from 1½ to 8 lbs. per 1000 lbs. of grass. This industry is capable of great improvement.

We used to supply 90 per cent. of the United States' needs. Now only about 28 to 30 per cent. of this are met by our exports. Other producer States have taken measures in the direction of stabilisation of prices and guarantee of quality of the lemon grass oil and in the package and handling of the same. The Government, it appears, does not even know of the existence of this product, although the value realised from this oil is many times the exchange realised from the entire total of the other oils that have been made mention of in the report of the Commerce and Industry Ministry under the heading "Essential Oils." In 1946 this oil per twelve bottles fetched about Rs. 55. It went over Rs. 400 since then. Afterwards it has fallen to Rs. 65 and now the price is somewhere about Rs. 90. I have stated already, the prices now being fetched will not even cover the cost of production.

I wish to refer to another cash crop, namely, cashew-nuts. In 1952 we exported about 26,000 tons and we got twelve crores. In 1951 we exported about 23,500 tons and got nine crores and seventy-six lakhs of rupees. There are marked fluctuations with regard to the price of cashew-nuts. By the encouragement of cultivation of this cash crop, it will also be an anti-erosion step. While I visited the Damodar Valley region where anti-erosion research works were being carried on, it was found that experiments with the

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cashew trees proved successful and showed possibilities of developing this plantation as a great anti-erosion measure. Those trees find congenial soil in hilly regions and they are immune from the affects of hot climate. They can be grown in abundance where our river valley projects have been taken up. The products can be specified and standardised. The Government has to organise research for production as well as handling.

The establishment of a Spices Board is an immediate necessity. The hon. the Commerce Minister may say that the agricultural aspect of it is a matter for the Food and Agriculture Ministry to handle. I would say that there must be greater coordination between the two Ministries so that the quality may be assured and as much quantity as possible of these products are exported to the foreign markets. A Marketing Committee can also be set up under this Board to improve the marketing facilities and eliminate undesirable practices such as adulteration. Sir, my time is up and I place these proposals for the consideration of Government.

3 P.M.

**Shri V. P. Nayar:** On a point of personal explanation, Sir. The hon. Member, Mr. A. M. Thomas said that I was indulging in a sort of personal tirade against the hon. Commerce Minister.

**Shri A. M. Thomas:** I never said, 'personal'.

**Shri V. P. Nayar:** I would only submit, Sir, that it is just like saying that he was indulging in unrestrained personal flattery of the hon. Minister.

**Mr. Deputy-Speaker:** No crossing swords here, please. It is not a personal explanation. He says that he did not say, 'personal tirade'. It is open to an hon. Member to say that another hon. Member started a personal tirade and all that.

Now, this must close at five o'clock and the hon. Minister wants about 45 minutes. Therefore, if hon. Members are prepared to confine their speeches to ten minutes, I will distribute the time. Otherwise, I will call only one or two Members.

**Shri Velayudhan** (Quilon *cum* Mavelikkara—Reserved—Sch. Castes): I need not emphasise here the responsibility of the Commerce and Industry Ministry over the financial situation in the

country. Having heard many speeches that were made the other day, I wanted to speak on only a few points which are now directly related to the financial aspect of the General Budget that was introduced in the House.

When we got independence, we had a kind of starved economy, especially due to the war as well as Partition. I think that the policy followed by us for the last four years, our financial policy with regard to our foreign trade as well as our internal trade and also inter-State trade, is not a sound policy at all. If you take the history of the import and export policy that the Government was following for the last four years, I must say that on each and every item the country had lost a lot and heavily. The other day, when the Minister replied to the debate regarding the criticisms from this House, he said that we are following the old policy, I mean the old import and export policy. The import and export policy is being changed yearly or half-yearly. It used to be changed according to the views and fancies of the Secretariat in the previous regime. Throughout the war this was the practice. The hon. Minister in charge of Commerce and Industry might have understood that these frequent changes in the import and export policy have resulted in heavy loss to the Government.

Let me now come to our trade, especially with the U.S.A. and the U.K. Of course, we have inherited our trade relationship between these two countries. When other countries like Pakistan have already got rid of the imperial preferences, I do not see any reason why India is still continuing those imperial preferences. The hon. Commerce Minister, when he was not Minister but only a Member of this House, was vehement against imperial preferences. I remember, not once but many times, he spoke in this very House against imperial preferences. Now, an opportunity has come for him to see that these preferences are stopped. Need I tell you, Sir, that last year Pakistan diminished a good deal of these imperial preferences and this has now immensely benefited the Pakistan Government. When we see the Budget of the Pakistan Government now, we can find that there is a surplus there instead of a deficit as we are having here in India. This is a great lesson for us. Now, when the Budget of Pakistan was introduced, the Pakistan Minister of Finance also referred to the Indian financial situation.



[MR. SPEAKER in the Chair]

Sir, let me now tell you that our great difficulty is in trading with the countries not only of the West but also in the East. This is not a time of isolation. This is a time when we have to expand our trade and commerce not only in the western countries but in other Eastern European countries as well as the Asian continent. Sir, you might remember the other day the Commerce Minister of the United Kingdom said in Parliament that there was difficulty in Western Europe as well as Great Britain because of the closure of the trade between Eastern and Western Europe. In the same way we also have our difficulties. We have to expand our trade with other countries, and, unless and until we expand our trade with the Western as well as Eastern European countries. I do not think we will be able to thrive and get out of our troubles.

Now, coming to the policy of industrial development in the country, let me tell you, Sir, that even though there is the policy statement of April, 1948 and the Industrial Regulation Act of 1951, it is my complaint and it was my complaint even before that private enterprise was not given in this country its due share regarding industrial development. Take for example, the countries that have got their own Governments: China. Even though they say that there is a Communist Government there, private enterprise was given all kinds of encouragement to develop their industries. In the same way, I think, we also have to develop our industries by giving encouragement to private enterprise.

I have read the speech of the Prime Minister the other day, in the Federation of Chambers of Commerce as well as the speech of the Finance Minister in this House. I think they have not realised the necessity of encouraging private enterprise and there is a feeling of fear complex or a kind of un-touchability regarding private enterprise. This has resulted in great loss and lethargy as well as fear among the investing sector in the country. That is why there is not much private finance forthcoming and we are forced to get help from other countries. When I speak about this private enterprise, I must say that a large section of the middle class people in India have come forward for trade and for investing in new industries, and I think the policy of the Government now is merely handicapping the development of these industries.

I have to speak a word about the industrial development of my own State. Regarding the Coir industry, a Coir Board is being established and a Bill is being brought before this House but there is great unemployment in that industry in that part of the country. Not only in that part of the State, but all over, there is great unemployment, famine and starvation. This cannot be got rid of by simply seeing the Five Year Plan. We have to industrialise the country and that too rapidly. Unless and until we take energetic steps I do not think that the present famine and starvation in the country, especially in the southern region of India, can be got over.

**Shri T. K. Chaudhuri (Berhampore):**  
I tried to follow the speeches that were made in this House the other day and I must confess that none surprised me more than the one made by my hon. friend Mr. G. L. Bansal. While throwing rather unusually large and flashy bouquets to the hon. Minister of Commerce and Industry for the feeling of responsiveness that was brought about between big business and the Government during his tenure of office, he referred to a feeling of 'hesitation' that still persists between the industry—meaning big business thereby—and the Government, and hoped that some day both would emerge hand in hand united happily for ever. We were, however, under the impression that there was no longer any feeling of hesitation and the union was complete as early as 1948 when this Government announced its industrial policy. We were under the impression that the union was solemnised when the Five Year Plan and the role attributed in the Plan to the private sector were formulated. We were under the impression that last month when that august body, of which Mr. Bansal is the Secretary, held its anniversary in New Delhi, we were having some sort of an anniversary of the union. Anyway, let me come to facts as they are today and meet the eulogies that were heaped on the Commerce and Industry Ministry by referring to the last topic about which Mr. Bansal seemed to express some concern towards the close of his speech; namely, the precarious balance of trade position of the country and the deterioration in our terms of trade.

The report that has been handed to us by the Commerce and Industry Ministry this year correctly refers to 1952 as a year of transition marking the change from a seller's market to

[Shri T. K. Chaudhuri]

a buyer's market and from conditions of scarcity and high prices to conditions of sagging demand and low prices. That is a correct statement, but we cannot agree with the views expressed in the Report when it goes on to attribute credit to the Ministry for having achieved a satisfactory balance of trade at the end of the year.

If we take the ten months ending December, 1952, we find that but for the months of October and December, we never had a favourable balance of trade, and for the year taken as a whole we had a trade deficit to the order of Rs. 170 crores and 39 lakhs as compared to Rs. 104 crores and 73 lakhs in 1951. Even if we take the last six months of 1952, the adverse balance was hardly wiped out and there was still an adverse balance of Rs. four crores, imports and exports were both languishing round about Rs. 45 crores—the lowest figure reached so far.

Thus, although the report seeks to take credit for achieving a seeming favourable balance at the end of the year at this low level of imports and exports due to the new policies initiated by the Ministry, it needs to be pointed out that the steady decline in imports from Rs. 93 crores and 14 lakhs in January, 1952 to Rs. 44 crores in December was brought about less by any measure of import restriction deliberately adopted by Government and more by the decline of the total amount of our exports both in regard to value and quantity.

We are told that the import control policy has since been reorientated and we have embarked on a new policy, but we find from the *Journal of Industry and Trade*, February, 1953, (it is a journal published by the Department of the hon. Shri Krishnamachari), a statement made to this effect:

“The import policy for January—June, 1953 broadly follows the pattern for the corresponding period in 1952”, which means that same policy as in 1952 is being followed without any change.

Here I may refer to some of the things which have been permitted to be imported. Spices, liquors, clocks, watches, motor cycles are some. Import cuts have been restored in some cases like blankets, rugs, infant foods etc. In order to improve quality, some other commodities have been permitted to be imported like: biscuits, confectionery, perfumed spirits and so on. This conclusively proves what policy the Ministry is following. There has

been no import control, so far at least, whether in 1952 or in 1953.

As far as export promotion is concerned, it seems the Ministry is of the view that if the export quotas are liberalised and certain export duties are reduced, then our export trade and export markets will improve. But for the reduction of export duties in some cases, particularly in respect of industries which may be called big business and are dominated by European capital, and the liberalisation of export quotas, no measures have been practically taken for organised or planned export promotion. I hold no brief for the views that were expressed by our hon. friend Mr. Tulsidas Kilachand on this side of the House, but he suggested certain measures which the Ministry would do well to look into more closely.

Before I close, I cannot help referring to the raw deal that the Ministry has meted out to labour in tea plantations. Solemn assurances were given both by the hon. Minister for Commerce and Industry on the floor of this House and by the Finance Minister in another place that the minimum wages of labour would not be touched with. The artificially created crisis and the so-called depression in tea came and went away, but the minimum wages of labour have been brought down, though not by this Government but by the State Governments, to such a level, that it is impossible to resist the conclusion that the clamour raised about the so-called 'crisis', the appointment of the official team on tea industry and the holding of the several Tri-partite Conferences, have been parts of a planned conspiracy to slash the wages of labour. Tea, by the way, happens to be the industry where 75 per cent. of the capital is British.

It may be too late in the day for the hon. Minister to change his lights for the lights that are mine, but from the little contact that I have had with him I am prepared to believe that he is ready to do justice to labour within the framework of Government policy. Let it not, however, be said, that the first Commerce Minister of the first elected House under the new Constitution trembled in his shoes in dealing with the British capital, at least so far as the tea industry is concerned.

Shri L. N. Mishra (Darbhanga cum Bhagalpur): I rise to support the Demands for Commerce and Industry. I would like to congratulate the Commerce Minister for the distinct im-

provement made in the industrial production of the country. Production in the basic as well as consumer goods industries continues to make an upward trend. Besides, pig iron, jute and textiles also have made a remarkable progress in production. The chronic cloth shortage has been solved for good. I also feel that coal, paper and cement have also set up a new record of production. In short, the industrial production of this country has continued to climb up to a higher level.

Next, I would like to say a word about our foreign trade also. As the House is aware, prior to 1947 the foreign trade of our country was not very much to the interest of the common people. But the political developments of the year 1947 brought a complete metamorphosis in the pattern of our foreign trade and from a raw material exporting country we turned into a raw material importing country. Therefore, it need not be a matter of surprise if our balance of payment has not been favourable on some occasions in the past. But thanks to the rational policy followed by our Government, our balance of payment position has improved well. But I would like to say that in the matter of imports and exports, we should follow that line which might be helpful in reconstructing the country's economy and providing means of purchasing power to the people. The policy of import and export need not be guided merely by the idea of adjusting the temporary disequilibrium in the balance of payment, but it should follow a well considered policy that might be helpful towards the programme of national development of our country.

Now, I would like to say a word about an industry which has been of some interest to me—I mean the jute industry. You know, Sir, jute is one of the best organised industries of our country. It has fixed and working capital taken together about Rs. 65.85 crores invested in itself. So far as labour is concerned, I think about 3,06,000 labourers are employed every day in this industry. But this industry is facing a crisis today, because, I think, of the complacent attitude of our Government.

Jute has a romance of its own. It has weathered many a storm in the past and has moved from crisis to crisis, but today I feel it is facing with an unprecedented crisis, and if the State does not come forward and intervene actively, it may not be able to survive. Jute like cotton has two aspects: manufacturing and agricultural.

If we ignore the agricultural side of it, the manufacturing side is bound to suffer. What is the condition of the agricultural side today? Today the prices of raw jute are hardly sufficient to meet even 50 per cent. of the cost of production. I think the prices of raw jute are patently uneconomic and unremunerative for the growers. The result is that there is a huge glut in the jute markets of the country, especially in my part of the country—Bihar. Therefore, I feel that something has got to be done to improve the situation. Jute has been brought to this position, not only because of international forces, but also because of some part played by the industrialists of this country. I think the industrialists in pursuit of earning inflated profits have ruined our foreign market. It is because of the high prices of our gunnies and other jute goods that we have lost markets like U.S.A., Argentina and even Australia which has turned to bulk handling, since the packing materials proved to be too costly to them.

These industrialists preferred to make purchases of Pakistan jute at comparatively higher cost and not the indigenous produce. The result of it has been that the growers are suffering greatly. I would also like to say that Government also has not been fair to the case of the growers. A suspicion has arisen in the minds of the growers that Government care more for the cause of the industrialists than for the growers. That suspicion has been deepened by the fact that Government have made repeated attempts to import more and more of jute from Pakistan. I think the coming year for jute is not very good. Government need not depend upon the agreements that they have made with Pakistan. You know, Sir, for Pakistan it is more a political commodity than anything else. Besides this there have been some mills going into operation in some foreign countries. You know, Sir, in Pakistan, Philippines, South Africa and Brazil, some jute mills have already gone into operation and one or two mills are going to be set up in Egypt under advice of the Jute Board of Pakistan. Besides this all the continental mills have been modernised and expanded to lower the cost of production. Now, you can well imagine the struggle that we have in store. Therefore, it is necessary that the cost of production of jute should be brought down. How can you bring it down? I think modernisation is the only way to bring down the cost of production. I know modernisation will mean some additional investment. But the efficiency achieved by moderni-

[Shri L. N. Mishra]

sation will balance the cost. Therefore I would appeal to the Government to request the industrialists to come forward and invest about Rs. 40 crores or Rs. 45 crores to save this industry. In an industry in which about Rs. 68 crores are already invested, the industrialists should be able to come forward and save it from total ruin.

I would request Government to do something to improve the situation. I know in an industry like jute nothing can be done in the interest of the narrow consideration of only growers or traders. A commercial crop like jute has to sink and swim with the forces of international trade. But something can be done to improve the present situation. Therefore, I would like to suggest two or three measures. Firstly, I would suggest that it is high time that the Government should adopt the policy of State-trading in jute—at both internal, as well as external levels. State trading in jute will not only intercept the excessive high profits earned by the exporters, but will also eliminate the huge profits earned by a long chain of middlemen, the balers, stockists, dealers, shippers, etc. State-trading in jute will guarantee due share to the legitimate claims of the growers. I am convinced of the fact that State trading during the last five years, would have not only saved the jute industry from meeting the present catastrophe, but would also have earned a lot for our State exchequer.

Secondly, I would suggest that minimum prices for jute should be fixed. I will say minimum prices for commercial products like jute is not a new phenomenon in the industrial or commercial policy of modern Governments. The United Kingdom had to do it in the case of iron and coal. I would, therefore, like that a minimum price of jute should be fixed and if necessary prices of jute should be subsidised by the Government. Without going far off in India itself in August, 1939 and May, 1940, minimum price for jute was fixed: the Bengal Government on its own account had made purchase of large quantities of jute in an endeavour to support a falling market. I suggest that this should be done.

The third step I would suggest is that adequate market for jute must be found out. This new agreement with Pakistan is going to hit hard the indigenous growers. I fail to understand what has made this Government to accept this proposal. I understand that at the present rate of working our mills can consume about 57 lakhs

bales of jute. And the indigenous production is estimated to be about 48 lakh bales. Therefore, we stand in need of nine to ten lakh bales. But why have Government decided to import as much as 18 to 25 lakh bales from Pakistan? The effect of it will be only that indigenous production will suffer. If the indigenous production suffers, all calculations made by the Planning Commission to have 55.1 lakh bales of jute from indigenous production by 1955-56 must fail. You know, Sir, in agricultural planning price policy is a dominating factor. And a commercial produce like jute is highly sensitive to changes in demand curves. Therefore, if the Government are at all serious to implement the plan in this sphere they should do something to guarantee remunerative prices to the jute grower.

Lastly, jute growers are today entertaining an idea that the Government cater more for the cause of the industrialists than for that of the growers. I think that is indeed a very sad commentary on the policy of a popular Government. I, therefore, suggest that something should be done to improve the lot of the jute growers.

Finally, I would like to say that in respect of an industry like jute if we want to achieve appreciable results, some long-term planning is necessary and not mere palliatives. The coming decade in respect of the jute industry is going to be much more eventful than of any years after 1855. I would, therefore, suggest to the Government that minimum prices for jute should be fixed, State-trading should be adopted, and adequate demand for indigenous jute must be found out.

**Shri Raghavachari (Penukonda):** I rise to participate in this debate not with much of enthusiasm; for I find that while I had occasion to observe last year exactly on the working of this Ministry, particularly with regard to small-scale and village industries, I did elicit by way of reply from the hon. Minister that it was the policy of the Government to give priority and encourage the very things, and I was happy to have that assurance then; many months have passed and another year's budget has come and what we find between that day and today is only that the old Boards have been mutilated or converted into some other Boards. That is one thing. One has come into existence in November, 1952 and another in February, 1953. Beyond that it does not appear really to have turned out much. What really damps

one's enthusiasm is the fact that Government spokesmen—and I am referring to some observations made by the Prime Minister himself in opening that new Board that was constituted—themselves do not appear to be perfectly convinced that these small-scale industries have really a future economically. Their argument is: it has no inherent strength (which means in other words that the people will not purchase); it is inferior in quality; there are so many difficulties in the way, therefore what is the use of you, people blaming the Government? They even feel irritated when a criticism is made that much activity is not seen in this respect. But it is described by them as the "righteous indignation" of the people, or something like that. Those who are interested in the country's welfare or, we might even put it, in the wealth of the nation, should certainly be interested in the place that small-scale industries have really received in the economy of this country. No doubt there is this lip sympathy. And the policy also is to be saying "we are going to encourage them". But what is the shape that this encouragement has taken? It does not appear to me to be born out of the conviction or a feeling of urgency that the Government must pursue this thing with vigour. It is being done, there is a show of its being done; I see that a Bill is being introduced and all that. I do not say that there is absolutely no activity seen; but the problem is, it is not showing itself in action. I would confine myself only to this aspect of it.

There has been a fairly big claim made that production has increased in many branches of the industry. I am not disputing the fact that there has been increase in production. But the question which concerns the ordinary's representative of the rural population is: to what extent has this increased production really benefited the average man in the village? Let us take the increased production in textiles itself. Has it really made the ordinary ryot or the villager purchase one more spare set of clothing? Has he really been found to be using more of these things? No doubt it has produced this result—and I congratulate the hon. Minister—that in the urban areas and the towns it has avoided the people standing in queues, the scramble for some little cloth, corruption, control etc. It has of course resulted in that. But it has not really added to the poor man's benefit. I understand—I am not quite sure—and my own impression is that after this increased production, a yard of cloth is not less costly than what

it was before. In fact it has gone up in price. Therefore there is not much happiness or satisfaction for those who represent the people, by this increased production.

Therefore my earnest appeal to the hon. Minister and the Department is: kindly give a little more serious attention to this matter, an attention that is born out of some conviction that something must really be done for this rather than satisfy yourself "I have done something, I expect to do something" and so on. I would only add that when one sees it is the Congress that is in power, not in one State but in almost every State and at the Centre, this is a matter of disappointment. Of course I realise that it is the responsibility of the States and the hon. Minister might say "The responsibility entirely is not mine". But he can certainly control and direct the whole functioning of it. When we find that the Congress which is wedded to this policy of encouragement of village industries, has not actively or vigorously applied itself to this matter, it is disappointing.

When a few years ago, this Government came into power and Mr. Rajagopalachari happened to be the Industries Minister here, there was a big agitation about importing and increasing the number of spindles in the textile industry. The Madras Government headed by Mr. Prakasam wanted to prevent this multiplication of capitalist-concentrated production of textiles and wanted self-sufficiency in Khaddar and handloom production. In fact there was a great agitation in the Press. Naturally the capitalists were interested in the thing. The result was the spindles were imported, and Sri Prakasam's intentions were set at nought even by such a revered Congressman as Mr. Rajagopalachari. And now Mr. Rajagopalachari is in charge of the Madras Government. He now finds that all the claim about this increased production of textiles has really brought ruin to thousands and thousands of families of handloom weavers. And now the same gentleman says: we will examine the question of reservation of some portions of cloth production to the handloom weavers. I am glad that ultimately the present Minister for Commerce and Industry has agreed to that in principle. But before his consent and his action came, there was such a lot of criticism about it, and about its being "an ill-conceived remedy". Of course that gentleman, namely Mr. Rajagopalachari, when he was the Industries Minister here "well conceived" that spindles must be imported

[Shri Raghavachari]

and forced it on the country. But now when the same gentleman says that the handloom industry must get reservation, this gentleman here, i.e. Shri T. T. Krishnamachari says "no". It simply resolves into this. It is not the fundamental principles on which the Government and the political party and the interest of the country is really based but some other extraneous considerations. Therefore, my only request to the Minister is "You please examine". I have not hesitated to mention this again and again. Please examine how the country similarly situated like ours, Japan, has tackled this problem. It has decentralised all industries. I read in the Industries Journal of this March that a delegation went to Japan. They saw a firm with small spinning mills of ten spindles costing Rs. 1500 which can produce two pounds of yarn upto 20 counts with eight hours of labour. We have plenty of electricity and such machines can be imported. Why not we manufacture them on a large scale and ask every village to work on it? We have plenty of electricity. Still, why this concentration? Why this capitalism and this kind of fight between large scale production of textiles and handloom industry? Why should we kill the small scale industries? That is one thing. There are certain other machines with 120 spindles costing Rs. 25,000. These machines can be spread over the country and all this misery can be avoided. Not only that. Recently I had read some report which a delegation from the Bombay Government had submitted in four volumes in 1952. There, they have detailed their experiences and what they found in Japan; and finally they have made a number of suggestions. I am referring to them so that the hon. Minister may kindly draw the attention of the Board. Here I wish to read one sentence—

"Japan has planned and acted in a way which approximates to the teachings of Gandhiji more than in the way in which India has planned and acted."

My earnest appeal to the Minister is this. Examine the position of preserving all kinds of industries, particularly in the village parts, connected with processing of food, production by this kind of small scale industries and save the country from the great trouble of unemployment and also increase its purchasing power.

**Shri Heda (Nizamabad):** The activities of this Department, namely Commerce and Industry are so wide that I think the success or otherwise of the

Five Year Plan will largely depend upon the activities of this Department. There is a welcome change now from what they have done in the last year. That change, as the previous speaker just now referred, may be due to the after-effects of the elections. In elections we, the Congressmen fought on certain principles and those principles were embodied in our manifesto and one of the principles was that unemployment, particularly in the small-scale industries should be avoided. I think Government has taken very strong though apparently small steps. The other day, a prominent Member of this House, Shri S. N. Agarwal, stressed upon the aspects of unemployment and I think the most pertinent aspect of this unemployment is that unemployment in India, like its population, is scattered all over the country. Therefore, if we want to find a remedy, we cannot, as they have done in the West, collect the population in one place where some big machines and factories are built and give them employment. We will have to devise some ways and means by which we can take the employment to the huts and cottages in the five lakhs of villages of India and with that view Gandhiji had rightly stressed upon spinning. Hand spinning is the only industry—if it is not the only industry, at least I think everybody will agree that it is the most important industry—that can reach every village, every hut and every unemployed. Even a somewhat sickly person can earn something through it. There is the protection and encouragement given to Khadi and handloom goods by the levy of cess of three pies. Of course, Mr. Tulsidas complained that the cess was levied even before the Act was passed. I think it was done quite correctly because the results of the elections were clearly in this direction and they show that the people support the Congress view that Khadi and other cottage industries should be given full protection and encouragement. It was a necessity and the Government have taken the right step.

Apart from this, we also see a welcome change in the budget grants that this Ministry have asked for. In 1949-50, Rs. six lakhs was the budget grant; in 1950-51, it was Rs. 14.6 lakhs; in 1951-52, it was Rs. 17 lakhs; in 1952-53, it was Rs. 18 lakhs and in this year it is Rs. 100 lakhs. This is extra to the amount that we are to collect through the cess and my own calculation is that through the cess we will collect about Rs. eight crores. It may be even Rs.

ten crores if the production is as good or greater than last year. About Rs. eleven crores are thus being set apart for the encouragement of small scale industries. In this regard, I have a few suggestions to offer to the Ministry. Firstly, we hear criticism from those who speak in the name of the people but they are after industrialisation and mechanisation and therefore they will not favour the idea of encouraging Khadi. The other is the mill-owners. In their own interests they will raise a hue and cry that their interests will be jeopardised. Without being influenced by such criticism, I wish Government goes ahead and solves the problem of unemployment.

The next thing to do is to encourage small machines which could be used by one labourer and through them he can earn his own livelihood. The machines may employ two or three persons so that a family unit can work with these machines. Such machines can be found out and if we feel that large scale industries, particularly big factories come in the way to compete adversely with such small machines, I think protection to these small machines should be given. After gaining some experience and improvement in these small machines, I am quite sure that, as is happening in Japan, they will compete quite favourably with the big machines and then protection can be taken away. Take for example the manufacture of small nails, screws, nuts and bolts. All these things need not be manufactured by the big machines. Even the big factories that manufacture automobiles, cycles, etc. should also purchase these small items from these small machine holders.

Now, I come to one problem that had been uppermost in my mind: that is about the fluctuation of the prices that takes place in the course of the year. What happens is this. We say that ours is an agricultural economy and rightly the Five Year Plan has stressed upon agricultural production and all the stress it has laid is on the agricultural production. In spite of all this, we have not controlled the factor of price fluctuation of agricultural produce, particularly of the cash crops. About jute, so many hon. Members here have raised their voice and I join with them. I think, not only in regard to jute, but in regard to all cash crops, we should adopt a policy similar to the one adopted or proposed so far as cotton is concerned. In the case of cotton we have fixed a floor as well as a ceiling price. Some such thing should be done so far as all

cash crops are concerned. Let the agriculturist know what price he is going to get. When he calculates the price, he will include the cost of production and only if it is profitable he will produce; otherwise not. It is not good that the poor agriculturist on whose work the entire economy of the nation so much depends, should be allowed to look at his fate after he has put in his money, labour and produced something. The cases of jute at the moment and the case of cotton a few months before, are pointers in this direction. What we have done in the case of coffee, or something similar, we should do in the case of all cash crops. One day or the other, I hope the Government will have to undertake State-trading. Even now, I think it would be much better to adopt this policy. Let them think over and prepare a scheme that all the cash crops that are produced by the agriculturists will be purchased by none but the Government alone, and that the Government will either supply, after the processing is done, to the manufacturers or give it to the factories where the processing is done, and after that, they will give it to the manufacturers. The result will be that half a dozen intermediaries will be shut out and the profits that would go into their pockets will be saved for the producers as well as the consumers. Therefore, in the interests of the consumers and producers, I wish that the Government does something on these lines.

[MR. DEPUTY-SPEAKER *in the Chair*]

I quite agree with my hon. friend who has just raised the point that so far as our export market is concerned, we were not able to make a steady development. It could have been developed. The last few years were so favourable to us. But, unfortunately, the capitalist class did not look to the national interest. Each of them, not as a class, but every individual, looked to his own interest and the result was they spoiled or rather killed the export market. Therefore, it is high time that the Government takes a decision that in regard to some important items of export and import in which there is a great margin of profit there will be State-trading. Thereby, Government will not only save some money but also stabilise the price factor.

Lastly, I would like to refer to one point. Though it does not directly concern the affairs of this Ministry, as,

[Shri Heda]

all along. I had taken an interest in it, I would like to refer to that. I congratulate the Government, and particularly the Finance Minister for accepting the recommendation of the Income-tax Investigation Commission, namely, that the losses on speculation will not be off-set against genuine or ordinary profits. I think this is a step in the right direction. Though there is some agitation against it, if we have to curb and suppress speculation without touching the genuine forward market, I think this is a step in the right direction. Not only that. The Government may go ahead and deal with this matter in the same way as it has dealt with the speculative losses and profits in the cross-words and square words. That means, the losses will not be adjusted against profits, and all profits will be taxed. I think, if some such policy is adopted, speculation will be curbed. In the free economy that we have chosen for ourselves, only if it is rid of speculation, then and then alone will the vigour of private enterprise grow to the right height and thereby the nation will benefit.

**Shri G. D. Somani (Nagaur-Pali):**  
At the outset, I would like to congratulate and compliment the hon. Minister for the very realistic way in which he has handled the affairs of his Ministry, although I know that any compliment from me is going to be embarrassing to him, especially when I see my friends to my right.

When the hon. Minister took charge last year, the various industries were suffering from the after-effects of a serious slump that had set in in February, March, last year and there was a genuine apprehension that there would be a serious set-back in industrial production all round. It is therefore a matter of gratification that due to the various measures which his Ministry took, and also due to certain other favourable factors, not only has there been no set-back, but the industrial production of the country has shown a remarkable rise. The index of industrial production is shown as 127.8, which is perhaps the highest ever recorded after the war. I would only like to draw the attention of the hon. Minister that this remarkable rise in production should not make his Ministry in any way complacent, because, there are various factors which, if not properly handled would result in our not only not being able to expand or maintain the production that we reach-

ed in the last year, but easily losing the ground that we have gained.

I have a long list of grievances, and genuine difficulties of the various industries; but during the short time at my disposal, I will confine myself to a few important aspects of these problems. I would first start with the textile industry. The production in the textile industry, of course, has been a record one, having been 4600 million yards in the last year. With the rise in production and the emergence of a buyers' market, the various relaxations that this Ministry announced in the last year have also helped the proper distribution as well as the proper functioning of this industry. But, still, there are certain matters which require immediate attention. I would specially refer to the control on production which is not absolutely justified in the light of the present situation. When the Government have no responsibility for distribution, it is only fair and equitable that the industry should be at liberty to manufacture the goods that they by their own experience think will be to the taste of the consumer. There is absolutely no justification for continuing the controls of various kinds on production.

I would briefly refer to the excise duties. The Bill about Khadi cess, of course, may be coming today and I may have something to say on that also. Firstly, I would like to draw the attention of the hon. Minister to the tremendous increase in the excise duties that has been brought about in the fine qualities by the Finance Minister at the time of the last Budget. I know this matter concerns the Ministry of Finance. But, as the custodian of the interests of industry, I think it is his moral responsibility to draw the attention of the Finance Minister to the 100 per cent. increase which has been brought about in the excise duties. It has really acted as a great set-back in the distribution of fine goods. I am really afraid, if there is no revision of this heavy excise duty, the Fine trade is likely to suffer heavily. At a time when there is still acute shortage of Indian cotton, it is going to have adverse repercussions on production as also from the consumers point of view, several sorts which are meant for the poor and middle sections of the community are also going to be hit very hard if this duty is not revised.

4 P.M.

Coming to the question of exports, I would like to draw the attention of



the hon. Minister to what had happened at the Buxton Conference where all the aspects of the international textile trade were reviewed some time last year. He is, of course, aware of the situation as it prevails in the international textile market. The international textile trade is sinking, and foreign countries are competing more and more heavily for the small market that exists for the textile trade. At this stage, I very much appreciate the action taken by the Government in readjusting the export duties on coarse and medium varieties early this year. That alone will not solve the problem. There are also a few other points which, somehow or other, have not yet been solved, and in this connection, I would specially like to refer to the rebates on export of fine and superfine varieties which, on principle, has been accepted by the Ministry, but about which we are told there is some sort of legal or technical hitch. At a time when the internal market must be catered for first in respect of both coarse and medium varieties. Government should do everything possible to encourage the export of fine and superfine varieties, and there is no reason why this rebate on import of foreign cotton should not be given to encourage export of fine and superfine varieties instead of coarse and medium varieties which are being exported in large quantities now.

Then, there are one or two other minor points about which representations have been made from time to time, but what I am anxious is this, that the export trade is becoming more and more difficult, and unless the Ministry is ever vigilant and takes prompt measures to solve the various problems with which the industry is faced in catering to the export market, we shall not be able to hold our position which has been built at such a heavy cost during the last few years.

Coming to the rehabilitation problems of the industry, I am rather surprised that the only casual reference in the booklet that has been circulated is that this matter is before the Central Advisory Council on Industries. This is really a very vital matter, and it should not be tackled in such a leisurely way. Everybody realizes the importance of renovating the plant and machinery of the industry, and unless something is done at an early date, our whole economy might suffer. The textile industry is made to contribute so much for the rehabilitation of the handloom industry. It is also made to contribute so much for meeting the

requirements of the general revenues of the country, but I do not understand why this Ministry should not be able to persuade the Ministry of Finance to allow the industry to retain a small portion of these heavy excise duties for its own rehabilitation which does not in any way mean paying more dividends to share-holders or to the Managing Agents, but the amount will be exclusively used for renovating the plant and machinery and will add so much to the productive capacity of the industry.

Coming now to the question of another important industry, i.e., cement, I do not understand how the cement industry has suddenly fallen from the grace of the hon. Minister. Certain price reduction have been announced in December and also recently, whereby this Ministry has reduced the price of cement in view of the fall in the price of packing goods. I quite agree there is justification for this downward revision, but I do not understand why this Ministry should ignore the equally strong justification of the industry for getting increase in prices for the items which the Government of India have themselves imposed upon the industry. In this connection, I refer to the drastic increase in coal freight brought about by the Railway Ministry, and to the various labour legislations brought about by the Ministry of Labour. Here, it does not require any sort of enquiry. The facts are quite clear, and if the Government have reduced the price of cement in view of the fall in the price of packing goods, certainly they have got a clear case to raise the price in view of the additional burdens that have been imposed by the Government Departments themselves. This policy of forcing a reduction on a certain count, and not calculating the increase to which the industry is entitled, certainly places the industry in a very awkward position.

I need not draw the attention of the hon. Minister to the remarkable achievement of the cement industry. Production of cement was only 1.5 million tons in 1948. We had 3.5 million tons last year, and we might have even four million tons this year or next year. The increase in the price of cement has also been very small compared to various other commodities, and therefore, I do not see the slightest justification for ignoring this claim of the cement industry. Although the matter has been referred to the Tariff Commission, an obvious item of increase brought about by Government action itself should have either been

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decided by the Ministry, or at least, the Tariff Commission should have been asked by the Government to give some interim recommendations to the Ministry.

Only one point more, and that is about State-trading about which we have heard a lot, and some Committee is also sitting I may, in this connection, refer to the report of the Public Accounts Committee about the Japanese cloth deal which makes it clear that even if some ordinary care had been taken by the officials concerned in that deal, the valueable amount of Rs. 55 lakhs could have been saved. I would only draw the attention of the hon. Minister to the fact that while extending the scope of State-trading or while extending the scope of taking industrial units into control, he should learn a lesson. When the Ministry's hands are too full, and when even ordinary care is not exercised in certain vital matters, will it not be taking too much of risk to go on extending the scope of State-trading?

**Shri Jayaraman** (Tindivanam-Reserved—Sch. Castes): I have to point out to the Minister for Commerce and Industry the difficulties we are experiencing in the commercial and industrial world during the last four or five years.

Firstly, it is essential that our export trade should be increased. By increasing more, we can obtain foreign exchange. Moreover, many of the commercial crops are now experiencing a bad time. Today, the prices of many of our export goods have fallen down considerably. Some of them have fallen down by 30 per cent. as in the case of hides and skins trade which is the largest trade in Asia. In the international export trade, India's share in tanned hides and skins, known as East India Kips, is larger than any other country in the world. Large number of tanneries are concentrated in South India, and about 50,000 Scheduled Castes workers are employed in this industry in Madras State alone. It is well known that in Madras there has been a great depression in the hides and skins trade. Due to past neglect, we have not been able to strengthen the position of these traders. Even today, the trade takes place in these commodities under a mango tree in Madras. This tanning industry is being carried on in our country from Rig Vedic times more or less in the same method and unorganised. In times of brisk trade, a number of small tanneries spring into life, and cease to exist during the slumps. This kind of irregu-

larity places the labourers in a precarious position. They are forced to be idle for a number of days every year. These workers are a special class of workers who do not and cannot find alternative employment. At present, they are in the lowest rung of society as well as employment. The persistence of acute competition prevents the tanners from studying the problems of this industry in a liberal spirit and from devising measures for stabilisation of the working conditions and promotion of the interests of this industry.

There is no big exchange in which the hides and skins might be stored and trade can be developed by reliable intermedia. The standardisation of hides and skins is important, but more important than standardisation is their need to develop and exchange market as in Bombay where cotton is exchanged and the small producer also benefits. During the last war, a great boom in this trade took place and a good proportion of the accumulated sterling balance was due to the prosperity of this trade. But, after the war, certain States took it into their heads to kill this trade by banning slaughter of cattle. Now, I am all in favour of preservation of cattle, but the legislation that has been passed, apart from flattering the religious sentiments of a group, has actually not promoted anything like an increase in the quality of the cattle. It is well known that trade of slaughtered cattle skins is about 15 times more in value than dead cattle skins.

The traders are today suffering not only from general fall in price, but also shortage of raw material. We have to import raw material from Pakistan to ensure an adequate supply. Transport facilities that is wagons with wooden floorings should be provided without delay, since the hides and skins in the raw stage are easily perishable, and transport by ships causes considerable delay. Steps should be taken to have large-scale plantations of wattle plants, in our country to make us self-sufficient, and also to reduce imports from East Africa which is costly. To expand the market for our country, special officers may be appointed in our embassies, one in the continent, and one in the U.S.A. As these skins are sold in auction-selling in the U.K., and the prices are not steady and the fluctuations in the rates are abnormal. If the auctions are held in India, the buyers and sellers can meet directly and fix their deals, and

there will be no speculation, and the tanners need not have to gamble and try their luck. Government should make finance available to these tanners, through some financial corporations on security basis or stock-in-trade, for the development of this industry. More co-operative tanning should be encouraged.

I would like to say a few words about the cottage-scale manufacturers of matches. Sattur, Sivakasi and Ramnad in Tamilnad are the main centres of these industries. They produce about 40 per cent. of our needs, and they provide work to a large number of workers, and contribute about Rs. two crores to the Central excise, and thus play an important part in our national economy. Out of 126 factories in Tamilnad, 31 factories have been closed, and the remaining 95 are struggling hard for their existence, competing with big firms. The many restrictions imposed by the British Government to safeguard the interests of their own big firms in this country still continue. There are too many licences to be obtained,—to buy, to keep and to transport and use Potassium chlorate and sulphur. I hope the Government will reconsider the position and revise the regulations which are quite unnecessary during peace time. A factory may be opened for the manufacture of Potassium chlorate so as to make us self-sufficient. A large quantity of matchwood may be imported from the Andamans, so as to meet our demands. The excise duty may be reduced on the exported goods, in order to encourage more exports and to enable the industry to compete in foreign markets. The present system of rebate of annas two in the case of small factories producing not more than 100 gross on daily basis may be revised as 30000 gross per year on annual basis. Transport facilities should be provided to them so as to make them easily roll the business without much financial difficulties. Placing this item in the VIII class instead of in the XIV class in charging railway freight may be more advantageous for the development of this industry.

As regards the handloom industry, it is in a bad way. Up to the present, no clear indication has been given as to the manner in which we are going to give them a stable market. Many of the old handloom weavers who exported goods to Burma, East Africa and Pakistan have lost their markets, and it is difficult for them to take to new trades. There are about 25 lakhs of handloom weavers in our country, out of whom at least about six lakhs are

specialists in export articles. They are starving, and some of them are migrating from place to place with their families, actually begging. Until now, nothing has been done tangibly by the Centre to improve their lot. The Madras handkerchief has fallen considerably in value and quantity. Of course, the Government may say that each country desires to become self-sufficient, and therefore we have lost a good portion of our market. But that is only a poor consolation to the poor handloom weavers. Either we must develop a taste in India for these goods, or we must have a new export promotion drive, for the purpose of making these goods saleable.

In India, if the market is to be developed, it is not enough to advertise on a large scale the value of the goods, to the consumer. It is essential that we should have reservation for certain types of handloom products on certain well-defined principles. There is no use of giving them reservation on a temporary basis, as the Government have done, which is liable to be renewed after a limited period. The principles can be worked out quickly, and should be worked out quickly by the Development Wing of the Ministry of Commerce and Industry.

There is one matter to which I should like to make a special reference. We cannot afford to be absolutely self-sufficient in all commodities. The goal for self-sufficiency has led our Government to sacrifice quality for quantity. That is the grave problem in the case of tea. While the quantity of tea grown has increased phenomenally, the quality exported has diminished appreciably. It was only last year that the Minister of Commerce and Industry decided to constitute a committee for the purpose of examining the problems of the tea industry. If we do not examine the quality of tea exported, then the prices fetched by our tea will also still further, and we may also lose the market for tea, and our competitors like Indonesia and Ceylon would take away a good portion of our foreign markets.

**Mr. Deputy-Speaker:** I am afraid the hon. Member has to conclude his speech now.

**Shri Jayaraman:** One minute more, Sir.

The same is the case with raw jute, where quality has been sacrificed to subserve quantity. We have obtained breathing space for another three or four years, during which we can by rationalisation of the raw jute growing

[Shri Jayaraman]

industry improve the quality. I appeal to the hon. Minister not to assume that the jute problem is a simple one. I would request the hon. Minister to appoint a technical committee consisting of experts in the jute trade, to suggest ways and means to improve the quality of jute. If that is not done, we will lose our jute markets even within India.

**Shri T. T. Krishnamachari:** We have had 23 speakers speaking on these demands with the exception of my hon. colleague, and I must admit that the House has been extraordinarily fair and generous to my Ministry. I accept the words that fell out of the mouths of the hon. Members of appreciation of the difficulties that the Ministry had to face, and also the words of commendation that they were pleased to bestow on the Ministry. I do not feel that it is in any sense due either to the diligence of my colleague and myself, or to any extraordinary abilities that we possess. To a very large extent, it has been due to the very hard work put in by the officers and men belonging to the Ministry, who, I am proud to say, have responded to the changed circumstances in a manner which is heartening.

I have been an old figure in this House, as it is more than a decade since I came here. I knew all the time, that when the debate for Commerce and Industry Ministry—separate as it was in those days, or at any rate, for a time—came before the House, the Ministers concerned had a very hard time. I am aware that out of the very many predecessors that I have had in this office, two people who have been good friends of mine, better men than myself in every respect, have had really very difficult times. I refer to my hon. friends Mr. K. C. Neogy and Mr. Shri Prakasa. As men, they are far superior either to me or to my colleague. But the difficulties they had to face were such that the Ministry was always exposed to a lot of criticism, ridicule and even contempt, so much so that the Ministry of Commerce has been a Waterloo of reputations. Perhaps my colleague and myself are very lucky, perhaps we have been born under better stars than my illustrious predecessors. And we have been treated rather gently; even where criticism was due, the criticism was made, and with rare exceptions, with some consideration and with a touch of gentleness.

I must admit that I was rather touched by the words of my hon.

friend opposite, Shri Tridib Kumar Chaudhuri, who did not approve of what we did but nevertheless imported a personal touch into his remarks which takes away the edge of all criticism. I think this time both the opposition and this side of the House have treated the Government and my Ministry in particular with a generosity for which I cannot but be grateful.

To go to the details of these discussions, I shall first take the speech of my hon. friend, who is not here, Shri Tulsidas Kilachand. He made certain valuable suggestions and I recognise in the criticism that he administered to us, I value particularly what he said in regard to the Tariff Commission. I also understand that he based his criticism on the recommendations of the Fiscal Commission. But in adjudging the work of the Tariff Commission, hon. Members in this House have to take into account two considerations. One is: what will be the cost to Government if each branch of Government or a Board attached to Government is to have its own technical organisation? That is desirable and it is as it should be, but the cost factor is very important. Another factor, I think, which he ignored for the time being was that the Tariff Commission came into being in 1952 with additional powers and responsibilities than were enjoyed by the Tariff Board and it will take time for it to develop into an organisation that is necessary for its work. So if we urge on the Tariff Commission to expand all of a sudden without any appreciation of its work, well, I am afraid we will be wasting money. It is true that even though now the Tariff Commission has a lot of work to do, this work will grow as our industrialisation grows. I have no doubt that the time will come when all the recommendations made by the Fiscal Commission, to which he has drawn the attention of Government, will have to be implemented as they relate to the Tariff Commission. On one point I will agree with him immediately—that on the side of the administration and also on the costing side, the Tariff Commission has to be strengthened. I know at the present moment two members of the costing section have left the Tariff Board when they need more hands. It is rather difficult for us with our graded salaries to retain good people that we get. They leave because commercial service offers them better opportunities and better salaries. But on the question of advisory staff, I am afraid these bodies attached to Government will

have to depend very largely on such assistance as we can give them as Government organisations can give them—supported now and again by *ad hoc* advisers like the one that we appointed for inquiring into the automobile industry.

In this connection I am heartened by the criticism levelled against the work of the Ministry by my hon. friend, Mr. Bansal, in respect of the Development wing. He very rightly suggested that while Government has in the Development wing a band of enthusiastic and technically competent young men, the senior staff has got to be strengthened. Here again this is a difficulty that I am faced with every day, namely, with the quotation of salaries that we are able to offer I am not able to attract good men, Commercial service is certainly far more attractive. On 1600 to 1800 rupees I cannot get a very competent engineer, nor a competent chemist. Well, this is a matter which we are thinking of and I do think that we will be able to strengthen the Development wing before long and if we develop this wing, its services will be available not merely to Government but to any other body which the Government sets up which needs technical advice.

Mr. Tulsidas Kilachand made various suggestions and also drew our attention to the reports of the Import Control Investigation Committee. He also made suggestions in regard to export promotion, to the need for sending delegations abroad sponsored by Government and, above all, to the necessity to obtain reciprocal treatment in foreign countries—a point which indirectly was touched upon by my hon. friend, Dr. Ram Subhag Singh as well. I can promise him that there is a great deal of agreement between him and myself and the Government on these matters. The Government will certainly explore possibilities of improving the administration in these directions.

Incidentally I would like to refer to the remarks—very pertinent remarks—made by my hon. friend from Cranganur, Mr. Achuthan, about the need for publicity in foreign countries for our goods. I recognise that in this matter we are sadly lagging behind. We want to do something in this direction but it takes time to build up an organisation. At the present moment I am concerned to see that we place our tea propaganda on a firm footing and in so doing, it is the intention of Government to associate a number of young Indians who would be useful for other purposes as well or on whom we can

draw for other purposes later on. But it is always difficult to make a beginning in these matters.

My thanks particularly are due to my hon. friend, Shri Kanungo, from Orissa who, I think, more or less anticipated many of the criticisms put forward by hon. Members in this House. I would like to heavily underline three points that he made; that is, that Government must have an integrated plan of production in all spheres, that Government's duty to consumers is paramount and, thirdly, that international trade is a two-way traffic and we cannot ignore the points of view of our neighbour countries who would not all the time import our goods without our taking some goods from them. I think, as I said before, these points have answered many of the criticisms, or rather taken away the edge of much of the criticism levelled by hon. Members on this side as well as those on the other side.

I would also like to draw the attention of the House once again to the remarks that fell from my hon. friend from Cranganur, Mr. Achuthan. He rightly pointed out the conflict between consumers and producers. In fact this conflict extends over a much bigger area than what he indicated: for instance, amongst various types of producers—amongst themselves—and amongst such producers and the trade, between the industrialists and importers, between exporters and industrialists, and so on. These are practically day to day occurrences in my Ministry. I could mention an instance. Take the wool trade. We produce about 60 million lbs. of wool every year. And we have also got a local industry, mainly a carpet industry—apart from a 'Kumbli' industry—absorbing this wool. I have recently seen Press reports—long ones too—of speeches made by President of Exporting associations pointing out that after all the local need is only five million lbs. and why should not 55 million lbs. be freely exported? On the other hand, I have heard from equally important associations from Mirzapur and Banaras—the carpet manufacturers have said, 'we consume practically all the wool that is produced in this country; why allow any exports at all?' It is the duty of Government to assess the local needs, the needs of the indigenous industry, its surplus and arrive at their export policy. And, if the views of one sector only are voiced in this House, as is often the case, it can be demonstrated very successfully by the person who voices those views that Government are in a way acting against the vital interests of this country. But,

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if as my hon. friend, Shri Achuthan puts it, the Government should attempt to synthesise the claims of the various sectors and adjudicate amongst them, then Government will not be popular with any section. If, as he very rightly said, the Government are getting unpopular with all sections, then they are doing something right. I do hope in all earnestness, that the public outside will accept the test that Shri Achuthan has prescribed, to find out whether the Government are doing the right thing or not.

To come back again to the points made by my hon. friend, Shri Kanungo, an integrated policy of production in all spheres this is what we are trying to pursue. In fact I recognise and I think my colleagues in the Cabinet also recognise, that within a measurable distance of time, industrialisation will not solve all problems of unemployment. We have to look to other avenues. There is no point in looking at the whole problem from a defeatist angle and say, 'whatever you do, you cannot provide employment for all, you can provide employment only for 50 lakhs of people then do not do it and do something else'. And that gives rise to the plea of village self-sufficiency as being the main goal to be aimed at. My hon. friend from Anantapur, expressed surprise that the Prime Minister should say publicly at the inauguration of the All India Khadi and Village Industries Board that while he recognised the validity of the claim for support to be given to cottage and village industries, he cannot at the same time, neglect the problem of industrialisation. Well, that is an angle that persists. One factor here is the self-righteous angle in most cases I have no doubt that hon. Members and those outside who voice these views do it in all earnestness; their *bona fides* are above question; their sincerity cannot be questioned; they are veteran workers in this field and they come to a particular point of view by a process of thought over a period of years. But they should recognise and we have to recognise along with them a fact that which does not exist. They think that the villager is not susceptible to any change that is taking place all over the world. On the other hand, it is not so. It is wrong for us to think of the villager as an entity somewhat completely cut away from the rest of the world. The villager is as modern in many cases as most of us are. I have also gone to the villages; I have seen in the villages, the latest types of blouses, face-powder and even

colouring of the nails—if not by imported stuff, at least by our local products. (*Interruption.*) There is no use saying that the villager's ideas of priorities do not change. He has sound ideas on the question of priorities. In fact, the very basis of our Community Project Schemes will fall to the ground if we want the villages to remain what they are, without the improvement that we want to effect in them. After all, if we say, 'go back to the village', we have to provide in the village the urban amenities that everybody now needs. Anybody who goes to a village at about seven or eight o'clock in the night, will see the villagers trek to the nearest cinema, walking three or four miles, then walking back later on in the night; and he will realise that the cinema to the villager has become as much a necessity as it is to the urban dweller. If we contemplate, as some of us seem to do, that a villager is a person who is perfectly contented to be told that he should do this and that, that he should lead the life of an animal, be fed and clothed and made to work, I am afraid, that some of us law-makers outside, are making a very serious mistake. The element of individual choice, which in the language of economics, is called, consumer's choice, cannot be completely ignored, as it has come to stay and has effected a revolution in our economic life. I concede willingly the *bona fides* of the people, as I said before, who urge this approach primarily as being above reproach. I would like to give an instance, how the idea would work. If you give a child—rather, if I give my grand-child a lollypop, out of affection for his grandfather the child thinks that his grandfather should also taste something of it, and tries to put it in my mouth. I only resist it with a certain amount of difficulty. At the same time I am both tolerant and amused by what he does. I think the villager will look upon our attempts to force primeval practices on him without that tolerance or amusement that the grandfather has towards the child. In fact, our attitude towards the villager is not very more developed than the child's sudden burst of affection for his grandfather.

I think, as my hon. friend, Mr. Kanungo said, we have to integrate production in all spheres and we are attempting, to the best of our ability, to see that some of these village industries, in so far as they are an insurance against unemployment, are kept alive. My hon. friend, Mr. Neda very rightly drew attention of the

House—and I am very grateful to him—to the phenomenal increase in the budget allocation made by the Government of India for handicrafts cottage industries, handloom and khadi. He has given some figures which will show that against the allotment made up to last year, the allotment of seven crores, that is six crores for khadi and handloom and one crore for cottage industries which my hon. friend the Finance Minister has been good enough to make today is a complete answer to people who tell us that the Government has neglected the village industries, that they do not take into account the value of village industries as a means of solving unemployment problems. I have no doubt that when the proper time comes, the Finance Minister will show that in so far as our attempts to solve unemployment in the rural areas are successful to that extent money will not be a limiting factor for our proceeding further in this direction. It is a scheme of social insurance. I think Government is quite prepared to spend all the money that is necessary if these attempts are successful; if not, we have to vary our methods.

Some of my hon. friends said—very rightly from their own point of view I think—let us be austere. It is the fashion of the day. I do not mind repeating what I heard in another place. An hon. Member congratulated the Government for having raised the import duties. That person said, 'It is very good that the import duties have been raised; but you should not import anything'. I do not know why the Finance Minister should have gone to the extent of devising import duties which he has obviously done for the purposes of obtaining revenue; and at the same time say that we will not import these articles, so that the new import duties are a mere dead letter. We have certain pre-conceived notions of austerity. Supposing it is necessary for us for balance of payment considerations or because we have got a scheme of priorities to import only certain necessities, and we ban these things which are not so necessary? In fact, the point of strength in our economic health is that this is a country which has got a notoriously high marginal rate of consumption propensity; that it can be operated upon whichever way we like. We can act without serious repercussion arising during any short period time as we had about our imports of certain types of goods. But it cannot be done for all time. It may be good in certain directions but it will not be good in all directions. I am afraid that those politicians and others

who approach this idea of austerity for all time, irrespective of what is called consumer choice, are suffering from a malady which in psychology is called schizophrenia. Mr. Bansal who is a very competent critic notwithstanding the fact that he might raise a certain amusement in some quarters did unfortunately emphasize one or two points trifle needlessly. I shall deal with this question of foreign element in industries on which he has dwelt and also the future of industrialisation before I resume my seat.

I think the allowing of a well-known foreign firm of woodscrew manufacturers to establish themselves in this country was a correct decision. Though there is collective responsibility of Government as a whole and my responsibility for what the Government had done in the past is there and I have to share it, I may say it was not done by me. Yet, that decision was a correct one because the fact is that the firms started in India for the production of woodscrews did not produce quality goods and the users of woodscrews still insisted on preferring the imported article. Nor do I think that by the addition of a new manufacturer there is going to be a glut in the market. These are matters, may I mention to my hon. friend Mr. Bansal, that cannot be judged from an *a priori* point of view. He should not allow the atmosphere in which he works to cloud his vision and his usual clarity, and I would suggest that he should judge each case on its merits.

I think I had better deal with one other problem mentioned by hon. Member before I go on to deal with industrialisation. It is what I consider to be my major headache at the moment namely, the question of jute. The matter was raised by three hon. Members: Shri Jhunjhunwala, Dr. Das and Shri Mishra. I must admit in all fairness to Mr. Mishra that though he is a person who knows more about it than anybody else he was extraordinarily generous to us in his criticism. But I cannot agree that his criticism is either well-directed or even that the criticism of the Government is deserved. Nevertheless, I must appreciate the spirit in which he offered it. In regard to Mr. Jhunjhunwala and Dr. Das, I am afraid that whatever I said here because of your indulgence in giving me some more time on Wednesday has completely gone over their heads. Mr. Jhunjhunwala told us that some friend of his, perhaps a jute merchant or perhaps a jute baler, told him that if we export jute, things will be all

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right. I would suggest to him that advice from such quarters has to be taken with a very large grain of salt. I found, on the other hand, that Dr. Das was angry, and he has a right to be angry, because he probably sees that some people are suffering in his own particular locality due to the low prices of raw jute. There is nothing wrong in it.

There is one point in this connection which my hon. friend Mr. Mishra made. He said that a solution lay, among others, in the modernisation of the jute plants. I agree,—I cannot but agree with him 100 per cent. But then what does it mean? I can even support his point by saying that in a jute mill with old plants which is reasonably well managed, you require something like 4.3 to 4.4 persons per loom. Of course, there are mills which need about six persons also, but you need 4.3 to 4.4 persons per loom in the type of mill I have described. If it is a mill using not a completely modern machinery, not one of those circular looms, but relatively modern machinery, you want about 2.7 persons per loom. That means that we can reduce the cost of manufacture by 15 per cent. if we modernise the plant, and that will mean that we will be putting into the hands of the jute grower another Rs. three at least per maund of jute he produces. But the cost is Rs. 60 to 70 crores for modernising them, not to speak of the fact that unless we also increase the number of looms and our export trade also increase, the possibility of having to sacrifice 80,000 people from the work which they are now doing will face us. I agree with Mr. Mishra that the matter has got to be looked into. The question of modernisation of jute mill machinery cannot be postponed for long.

He has also mentioned about State-trading, just as other hon. Members have also mentioned this subject. I have no allergy to State-trading as such. I have no ideological disagreement with their idea of State-trading, but the fact is that State-trading means large amount of organisation, a large amount of money, for investment and also a recognition by hon. Members of Parliament and the Members of the Committee, attached to Parliament and to public that State-trading will involve a loss as well as a profit. If you are going to trade, then you must be prepared for loss as well as profit. Whenever there is a loss, I am expected to find a witch so that I may burn the witch on the stakes. If I am to go on with this process of witch-hunting, then State-trad-

ing is not even a near possibility. Today I can say that in Government an officer will not pass a bill for a lakh of rupees unless it goes higher up and he gets the signature of the Minister, because he is afraid that somebody will say that something wrong has been done. There should be the appropriate atmosphere for State-trading and there should be the personnel for State-trading before we can even think of it.

There are one or two other matters which compel attention. Mr. Thomas had mentioned about the west coast products and Mr. Achuthan also pointed out the necessity of greater attention being paid to the west coast. I am one of those who do concede that Travancore-Cochin and Malabar have got to be given a great deal of attention, if it is not possible by the State Governments, then at least by the Centre, and the Prime Minister is very keen on this. I did undertake a trip some time back to this area and on my return I reported to the Prime Minister about it, and we have gone out of the way to undertake certain measures to relieve distress in that area. I recognise the validity of the claim of hon. Members coming from this area, because as the Finance Commission has supported it the school-going population in that area is 98.8 per cent. which is higher than anything in any civilised country in the world. Therefore, the problem of unemployment is a very serious thing in this area and to the extent that my colleagues and myself can do anything to help this area, hon. Members can depend upon our doing our very best.

In regard to pepper, I can only tell my hon. friend that the matter is engaging the attention of the Food and Agriculture Ministry and I do hope that before long we should be able, in collaboration with the interests concerned, to have fumigation plants in some west coast ports.

One point which Mr. Basu made, my colleague failed to reply to when he was speaking the other day. My hon. friend's complaint was in regard to the imports and percentages of capital goods and he has promised to ask for a note in that regard. My hon. friend Mr. Basu just takes one particular thing—percentages—because it suits him and says that capital imports on the percentage basis have dropped. But then what are the other factors that go to make up the percentages? In 1949-50, our total imports were in the region of Rs. 643 crores, out of which capital goods were Rs. 106



crores; raw materials for industry Rs. 291 crores and food articles Rs. 152 crores. When food articles were Rs. 152 crores and raw materials for industry Rs. 291 crores, naturally the percentage of capital goods must go down. Similarly, next year capital goods have been Rs. 80 crores; raw materials for industry Rs. 345 crores and food articles Rs. 102 crores. In 1951-52, capital goods were Rs. 100 crores; raw materials Rs. 453 crores (we had to import a lot of cotton); and food articles Rs. 258 crores, making up a total of Rs. 940 crores. Naturally, capital goods were only one-ninth of the total. This year also, for nine months, raw materials for industry have been Rs. 209 crores; capital goods Rs. 65 crores; and food articles Rs. 145 crores. So, if you are only relying on percentages you will find that capital goods have come down. Another factor which my hon. friend has ignored altogether is that we are manufacturing certain capital goods in this country. Textile machinery is being manufactured in this country. Diesel engines are being manufactured in this country. Parts for several machines are being manufactured in this country. If his intention is that notwithstanding all that we manufacture we must only import capital goods. I am afraid he has to go back to school and study economics.

**Shri K. K. Basu** (Diamond Harbour): Is it your contention that there is no further necessity for bringing capital goods from outside?

**Shri T. T. Krishnamachari**: There is every necessity, but the necessity has to be proved, and the necessity must arise before the goods can be brought in.

In regard to the point made by Mr. Muniswamy regarding the tanning industry, I may tell him that we are doing all that is possible to help the wattle bark industry. So far as hides and skins are concerned, we are studying the needs of the industry. I have not got the cooperation I want from the trade and industry yet. But should I get it I can assure him that we will do our very best.

Finally, I would like to say a few words with regard to foreign capital and industrial development, before I close. As I have said before, the major task has been for us to stimulate industrial development. The progress of various projects in what might be called the 'public' sector will itself, by increasing incomes, create demand for more goods. There would thus be greater opportunities to the private

sector for increasing production. But opportunities by themselves are not enough. What we need most is resources. The chief among them happens to be capital. It is this shortage of capital which is a major problem before us to tackle during the coming year. Basically, there are only three ways in which the existing capital shortage can be relieved: by stimulating Indian investment, by using foreign capital and by a fuller utilization of the plant and machinery in which capital has already been invested.

Government propose this year to try to explore possibilities of making investment in approved fields more attractive. The House will not expect me to go into details at this stage. We do hope that Indian capital will be seeking investment next year in desirable fields of production in a much greater measure than in the recent past, and I hope my hon. friend Mr. Bansal will note it.

Even so, it seems to me clear that Indian capital will have to be supplemented by foreign capital, provided we want rapid progress. There is a considerable amount of misunderstanding in some sections of this House and also outside regarding the role and status of foreign capital in this country. When an industrial undertaking is set up in the country the major benefits to the economy of the country arise on account of the employment it provides and the production which it makes possible. The nature and ownership of the capital going into the venture is, relatively speaking, a less important aspect. By this I do not mean that it is immaterial whether the capital employed is indigenous or foreign. If we have any preference at all, we naturally prefer Indian capital. But the wheels of industry have to be kept moving, no matter who owns it. Our own capital resources today are extremely limited. As I said we have under consideration steps to stimulate investment, but if we want progress we must be prepared to use foreign capital in developing our industrial production.

Some of the remarks made in the course of the debate seemed to suggest that some hon. Members feel that foreign capital is pouring into the country at an undesirable, if not an alarming rate. Nothing could be farther from the truth than this. With the exception of the oil refineries, the investment of foreign capital in Indian industry has been small. If we take disinvestment into account the figure would probably be a negative one. The point which I would like hon. Mem-

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bers to appreciate is that there is a great shortage of capital in the country and even if we recognise that foreign capital has a role to play, we will give Indian capital preference, if it is available. On the other hand if there is to be a choice to be made between industrialisation with foreign capital and no industrialisation at all I must say that I would personally choose the former—industrialisation at all costs.

I would here add that when we talk of industrialisation, we should not merely think in terms of heavy and basic industries. The producer goods industries do not, themselves, raise our standard of living. They provide the basic implements for the development of other industries which produce goods which go into consumption. If economic progress and the raising of the standard of living of the people to which we attach such importance has any meaning in real terms, it is only to be found in an increase in the consumption of goods, particularly, as I said, in a country with a notoriously high margin rate of consumption propensity. Therefore, while we are talking of our plans for the major industries, let no one underrate the importance of the smaller industries. On the contrary, the expansion of major industries must be complemented by a parallel development of smaller industrial units all over the country. Even in this field, I for one would not shut out foreign capital if Indian capital is not forthcoming. There is a point of view amongst some economists that national capital must be primarily used in the key industries and there is no harm in allowing foreign capital in the consumption industries. But I look at the whole problem from a practical rather than a theoretical point of view.

That does not mean that we want foreign capital at any price. We want it on terms which we consider reasonable. Equally to the foreign investor, we are prepared to give the assurance of fair and reasonable treatment. This includes not merely facilities for remitting dividends and even for the repatriation of capital which has been announced by Government, on more than one occasion, but also reasonable opportunities to develop and expand. Even here I have been insisting that in the expansion of any such concern owned by foreigners, attempts should be made at every stage to associate Indian capital. We have, as the House knows, a fairly close system of control over industry. We do propose to make that control complete. Government

have ample powers, and I hope will have more powers if necessary, to ensure that private industry does not act in any manner inimical to national interests and also plays a fair game towards the consumer. Those powers apply to foreign-owned firms no less than to Indian-owned firms. Neither the one nor the other can be allowed to pursue antisocial policies or exploit the Indian consumer. Subject to these safeguards, which I repeat are non-discriminatory, and any specific conditions imposed at the time of entry, we give to foreign firms fair and equal treatment and I am quite satisfied that it is in the interests of the country and the millions of people who inhabit it. While I am anxious to help and encourage Indian capital in every way, it must be remembered that ultimately what we seek to serve is not Indian capital, but the man who pays the price of all that is produced in the country, namely, the consumer.

Apart from promoting fresh investment both of Indian and foreign capital, we can achieve greater production by ensuring the maximum utilisation of the plant and machinery in which we have already invested some money. Most of our industrial units have been planned on the assumption that each one of them would manufacture a particular article or articles in its entirety. There has been no attempt as a rule for the development of subsidiary industries manufacturing components on a large-scale to be used in assembly by one or more units producing the main article. This tendency still persists. In our industrial scheme, if a particular manufacturer is dependent on imports for a particular component, he rarely tries to explore and see whether that component could not be supplied by any other factory in the country. Instead, he goes on importing until he can get, if he at all does it, the necessary plant and machinery for manufacturing the component himself. We have, therefore, the paradox of a considerable fabricating capacity lying idle in the country while we are still importing goods which could be produced by them as well as extra plant and machinery for the making of such goods. If this form of national waste is to be avoided, we must, as a first step, make a survey of the existing capacity to discover what possible uses it could be put to. I propose for this purpose to get together a high-level body of experts to make a detailed survey of the available capacity and to indicate the uses to which it could be economically put.

We expect that, as a result of this survey, we should be able to produce in the country a considerable quantity of machinery for the manufacture of cement, paper, jute goods, textile, sugar, etc., which we are at present importing.

Finally, may I once again express my gratitude to the House for the very favourable reception they have given to these Demands.

**Shri K. K. Basu:** May I ask one question?

**Mr. Deputy-Speaker:** It is now five o'clock and I have to put the cut motions and Demands to the vote of the House. I shall now put the cut motions to the vote of the House.

The cut motions were negated.

**Mr. Deputy-Speaker:** The question is:

"That the respective sums not exceeding the amounts shown in the third column of the Order Paper in respect of Demands Nos. 1, 2, 3, 4 and 110 be granted to the President to complete the sums necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1954, in respect of the corresponding heads of Demands entered in the second column thereof."

The motion was adopted.

[The motions for Demands for Grants which were adopted by the House are reproduced below.—Ed. of P. P.]

**DEMAND NO. 1—MINISTRY OF COMMERCE AND INDUSTRY**

"That a sum not exceeding Rs. 66,24,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1954, in respect of 'Ministry of Commerce and Industry'."

**DEMAND NO. 2—INDUSTRIES**

"That a sum not exceeding Rs. 10,90,93,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1954, in respect of 'Industries'."

**DEMAND NO. 3—COMMERCIAL INTELLIGENCE AND STATISTICS**

"That a sum not exceeding Rs. 47,90,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1954, in respect of 'Commercial Intelligence and Statistics'."

**DEMAND NO. 4—MISCELLANEOUS DEPARTMENTS AND EXPENDITURE UNDER THE MINISTRY OF COMMERCE AND INDUSTRY**

"That a sum not exceeding Rs. 36,90,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1954, in respect of 'Miscellaneous Departments and Expenditure under the Ministry of Commerce and Industry'."

**DEMAND NO. 110—CAPITAL OUTLAY OF THE MINISTRY OF COMMERCE AND INDUSTRY**

"That a sum not exceeding Rs. 5,70,99,000 be granted to the President to complete the sum necessary to defray the charges which will come in course of payment during the year ending the 31st day of March, 1954, in respect of 'Capital Outlay of the Ministry of Commerce and Industry'."

5 P.M.

**KHADI AND OTHER HANDLOOM INDUSTRIES DEVELOPMENT (ADDITIONAL EXCISE DUTY ON CLOTH) BILL**

**The Minister of Commerce and Industry (Shri T. T. Krishnamachari):** I beg to \*move:

"That the Bill to provide for the levy and collection of an additional duty of excise on cloth for raising funds for the purpose of developing Khadi and other handloom industries and for promoting the sale of Khadi and other handloom cloth, be taken into consideration."

This Bill has been before the House for quite some time and hon. Members of this House know that from the day on which it was introduced, namely the 15th February, Government have been collecting a cess of three pies per yard of cloth produced, under the Provisional Collection of Taxes Act, 1931. The operative portion of this Bill is clause

\*Moved with the recommendation of the President

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3 which mentions the levy of the additional duty of excise on cloth. So far as the definitions clause, namely clause 2 and clauses 4 and 5 are concerned, they are the padding necessary.

Some doubt has been expressed by hon. Members in regard to the definition. One hon. Member has asked me why should handloom cloth—I am sorry, Sir, there is a printer's devil here and the word 'hadloom' in part (c) of clause 2 should be 'handloom'—mean cloth woven from any material including silk, artificial silk, staple fibre and wool, on looms worked by manual labour. I do submit that notwithstanding the fact that the article might be mill-made or machine-made it is the weaving that counts and we have to recognise the existing pattern of trade and the habits in the handloom trade in the country where they use not merely silk but artificial silk, staple fibre (which is but another name for artificial silk), wool, etc.

In regard to clause 4, the application of the proceeds is in the usual way, that is without prejudice to the generality of the powers that Government has in this matter, it is intended to be applied for these purposes. They are only illustrative, not exhaustive. Hon. Members who have attempted to move amendments want to enlarge the scope. The scope can be enlarged by Government, and the provisions of parts (a) to (g) of clause 4 do not prohibit Government from using those funds in a manner in which they deserve to be used, because these categories mentioned are merely illustrative.

Clause 5 is the rule-making power. I would mention that the application of this particular cess finds a mention in the Demands for Grants and provision has been made, more or less as a token, for Rs. two crores to be spent on handloom and khadi. Well, we do not know exactly what we are likely to get but we are estimating that we are going to get Rs. five crores. Maybe a little more. Some hon. Member said here in the general discussion that it might be much more. But it would not be, for the reason that we are not going to levy this cess on cloth exported. It might be five to six crores of rupees. Naturally, any amount that is spent out of the proceeds of this would have to have the approval of the House on principle, and also for the total amount before the amount is disbursed. So Parliamentary control is not in any way taken away by the passing of this Bill. This is merely to permit Government to levy the cess.

So far as the utilisation of the money is concerned, my hon. colleague the Finance Minister would from time to time place a supplementary demand for grant if necessary, and it will be included every year in the budget. And the demand could be discussed and voted upon.

So I would like to submit to the hon. Members that there is nothing underhand, nothing secret, nothing that Government is seeking to do without the permission of this House. Because, it is a straightforward measure and the only operative clause is clause 3 and nothing else. Some hon. Members have suggested that it might be referred to a Select Committee. If it goes to a Select Committee, can we add to the words of clause 3? I do not think it can be improved upon. If the Finance Bill is not going to a Select Committee with its innumerable clauses, this simple clause 3 need not go before it.

**Pandit Thakur Das Bhargava** (Gurgaon): Which means both should go.

**Shri T. T. Krishnamachari**: The principle is clear. Either the House says we will allow Government to levy the cess or it says we will not. Or the House might vary it. That can be done by a simple amendment. That is, instead of three pies you might make it two pies, one pie or half a pie. Of course you cannot raise it. Barring that there is nothing that could be done. The discretion of the House in this matter is, principally, whether to allow the levy of a cess or not, and, secondarily, what the quantum of it should be. This in my humble opinion is not a matter which can be disposed of in the Select Committee.

[SHRI PATASKAR in the Chair]

I shall give a very rough idea as to how the proceeds are to be used. So far as khadi is concerned, we do propose to use roughly about a crore of rupees this year. We are getting out the budget necessary for the purpose. It will be subsidising the worker primarily. Because, the idea so far as Government is concerned, as I have said before, is that it is a scheme of social insurance: it is a means of avoiding unemployment. And I am happy to say that the people that we have requested to help us in this matter are people who have really no political axe to grind. In fact they are one of the most frank critics of this Government. And Government do not propose to insist upon a particular method of spending the fund. A budget however is being prepared. I think the House might

be well assured that the money will be spent very properly.

In regard to the expenditure on handloom, the House knows that Government have constituted a Handloom Board. The Handloom Board is primarily an advisory board so far as this Government is concerned. It is the intention of Government to ask the State Governments to constitute local Handloom Boards, make them prepare a budget, get the Advisory Board that we have to scrutinise it, and then Government will sanction the money. The money will be paid primarily to the State Governments and it is their duty to supervise the expenditure of that money, though broadly we might lay down the principles on which it should be spent. If necessary we can ask the Handloom Board to have one or two supervisors to see how the money is spent. Otherwise it is not our intention to fetter the discretion of the State Government. The broad policy which I do propose to submit to the State Governments is this, that we should more or less confine our activities primarily, at any rate during the first year, to co-operative societies. The whole trouble about this handloom industry is this. I know it is suffering badly. I am also aware that we are not in a position to give them as quick relief as we ought to. And I do feel that merely by reservation of some items for them we cannot achieve the desired results. Something more concrete, something in the field has to be done to help the handloom weaver. So my intention is to suggest to the State Governments that we should work primarily through co-operative societies. Every weaver should be brought into a co-operative society. If possible, the apex society must be on the basis of one lakh looms, with a number of primary societies acting in the area. The primary societies should take up the work of supplying the yarn to the weaver, to do the finishing, sizing, dyeing, printing as may be necessary, to have the goods transported to the market and, if need be, the apex society would open emporia for the sale of the goods so as to eliminate middlemen. Losses are inevitable in this matter because we do not want to pay the worker a starvation wage, nor do we want sweated labour which he gets at the hands of the master-weaver or the factory. Our idea is we should draw away the individual weavers from the clutches of middlemen who exploit them. Therefore we must pay them decent wages. Between the cost of the article and the cost at which we can sell in the market we would suffer some losses. We have also to present the goods proper-

ly. A design section will be necessary. Finding the market taste will also be necessary. All this will be the work of the State Handloom Board and the organisation which it will create. I am sure the House, will realise that I am painting a rosy picture. That is not my intention. I do not think of anything being accomplished in one or two years. We should proceed,—provided the State Governments are willing,—in that manner so that this help to the handloom weaver, the establishment of the weaver as a permanent and integrated part of the society, is going to be something permanent. We shall not be the bill whether by means of the assets created by this Bill or by other means which the Government have at their disposal provided the whole scheme works for the betterment of the handloom weaver and provides him employment. That is roughly the scheme on which we propose to work. Hon. Members of this House will realise that in this matter we had to co-ordinate the work of the various States. It may be one State may suggest a slight variation of this. In many States they have got some schemes working. In Madras which perhaps has got the largest handloom weaver population, there are already co-operative societies working. The only trouble that comes in the way of progress is that the co-operative societies have not got enough of finance for recurring expenditure. Then the work suffers.

It is also my intention to seek the assistance of my colleague, the Finance Minister, to ask the Reserve Bank to help co-operative banks which finance these societies for their ways and means position. Surely, Government cannot, by means of taxation provide for the ways and means position of these societies. Our intention is that they should get the help through the normal co-operative channel and the Reserve Bank does help in regard to discount on any bills that might be drawn by a co-operative bank, and I have no doubt that with the present Governor who co-operates very cheerfully in regard to any request that we make in matters like this, we would be able to make the scheme a success. Even from that point of view, from the idea we have behind this, in regard to the utilisation of the moneys that we will obtain by this cess the House should pass this measure. I think I have said all that I can say. I would like humbly to submit to this House again that it is a very straightforward taxation measure and we would like to get this thing passed along with other financial measures that are going to be passed. So far as the operation

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of this Bill is concerned, the deadline is the 15th April and that is why we are seeking to hustle, if I may use the word, the hon. Members of this House at this late hour of the day to accept this Bill.

**Mr. Chairman:** Motion moved:

"That the Bill to provide for the levy and collection of an additional duty of excise on cloth for raising funds for the purpose of developing khadi and other handloom industries and for promoting the sale of khadi and other handloom cloth, be taken into consideration."

To this motion there are some amendments. There is one by Mr. M. S. Gurupadaswamy that the Bill be circulated for the purpose of eliciting opinion thereon by the end of July, 1953. Does the hon. Member propose to move that amendment?

**Shri M. S. Gurupadaswamy (Mysore):** I beg to move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the end of July, 1953."

**Mr. Chairman:** Amendment moved:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the end of July, 1953."

Does the hon. Member want to make any speech?

**Shri M. S. Gurupadaswamy:** Yes.

**Several Hon. Members** rose—

**Mr. Chairman:** I think people are more anxious to speak rather than to move amendments.

There is an amendment by Mr. Vallatharas but I do not think it is in order. It says: "That the Bill be referred to a Joint Committee of the Houses consisting of 15 Members, 10 Members from this House, etc." In the first place, I do not find the names of those Members and in the second place,.....

**Hon. Members:** He is also not here.

**Mr. Chairman:** I think it lapses.

There is an amendment by Dr. Monohon Das. Is he moving this?

**Dr. M. M. Das (Burdwan—Reserved—Sch. Castes):** I beg to move:

"That the Bill be referred to a Select Committee consisting of

Shrimati Uma Nehru, Shrimati Jayashri Raiji, Pandit Munishwar Dutt Upadhyay, Pandit Thakur Das Bhargava, Seth Govind Das, Shri Hari Vinayak Pataskar, Shri Arun Chandra Guha, Shri Shree Narayan Das, Shri M. M. Vallatharas, Shri P. T. Chacko, Shri Debeswar Sarmah, Shri Lokenath Mishra, Dr. Suresh Chandra, Shri S. V. Ramaswamy, Shri Lakshman Singh Charak, Shri V. P. Nayar, Shri Shankar Shantaram More, Shri Nemi Chandra Kasliwal, Shri T. T. Krishnamachari and the Mover, with instructions to report by the first day of the last week of April 1953."

**Shri Velayudhan (Quilon cum Mavakkara—Reserved—Sch. Castes):** Has he got the consent of all these Members?

**Dr. M. M. Das:** Certainly, I want a chance to place my views before the House.

**Mr. Chairman:** Amendment moved:

"That the Bill be referred to a Select Committee consisting of Shrimati Uma Nehru, Shrimati Jayashri Raiji, Pandit Munishwar Dutt Upadhyay, Pandit Thakur Das Bhargava, Seth Govind Das, Shri Hari Vinayak Pataskar, Shri Arun Chandra Guha, Shri Shree Narayan Das, Shri M. M. Vallatharas, Shri P. T. Chacko, Shri Debeswar Sarmah, Shri Lokenath Mishra, Dr. Suresh Chandra, Shri S. V. Ramaswamy, Shri Lakshman Singh Charak, Shri V. P. Nayar, Shri Shankar Shantaram More, Shri Nemi Chandra Kasliwal, Shri T. T. Krishnamachari and the Mover, with instructions to report by the first day of the last week of April, 1953."

These are the two amendments, one for eliciting opinion and the other for reference to a Select Committee, which are now before the House for discussion.

**Shri S. V. Ramaswamy (Salem):** I welcome this measure because it is an expression of sympathy for the handloom industry.

**An Hon. Member:** Khadi also.

**Shri S. V. Ramaswamy:** And khadi also. The Central Government has been pleased to grant so far Rs. five lakhs in 1946 and Rs. ten lakhs in 1950. These are the two big sums that the Central Government has chosen to grant and this is the first time when Delhi gets interested in an industry

which is very much neglected. It has to be welcomed therefore that the Centre is able to provide about Rs. six crores and distribute it to several States for the improvement of khadi and the handloom industry. But my humble submission is this. Though it is a bit belated it is good because it will solve the problem of a portion at least of handloom weavers. I come from an area which is mainly supported by handloom weavers. Of the 8,40,000 looms in the Madras State, the District of Salem alone has got one and a half lakhs of looms. To the best of my knowledge many people have died, many people have left their places for working elsewhere, and many of them have gone to Bombay, Delhi and other big cities begging. It is in that sense that I said it is a bit belated. This Bill ought to have come long ago. This Bill ought to have come to the rescue of the handloom weavers several months ago. Nevertheless, I welcome this because it has after all come. The problem of the handloom industry is a human problem. If we analyse it, in the whole of India, according to one estimate, there are about 28 lakhs of looms; but I would put it at 25 lakhs. About four persons depend directly upon each loom, so that we get the figure of one crore of Indian citizens living directly upon the handloom industry. Besides that, there are so many other persons depending upon the different branches of that industry, and connected with it: the yarn merchants, dealers in yarn, dyers, dye merchants, traders, businessmen, wholesale and retail merchants, and so on and so forth. My modest computation is that another crore of people depend upon this industry indirectly. My computation therefore is that about two crores of Indian citizens live by this industry, directly and indirectly. That comes to about 1/18th of the entire population of this vast country. Yet, it has not received so far the support which it deserves. Any measure which will give employment to these people, keep them alive and keep them going must therefore be welcomed.

The hon. Minister was speaking about the application of the funds. As I expected, the hon. Minister suggested that the major portion of the funds will go to the co-operative societies. The prejudice against the master weaver, I thought, was confined only to Madras; but it has found its way to Delhi as well. I take this opportunity of clarifying the position of the master weavers in the handloom industry. They are the very foundations of this very ancient industry. The master weaver is an institution by himself. He

is the person who, buys the yarn, gives the yarn to several weavers, collects the cloth, markets them, pays wages to these persons, if the weaver falls sick, advances money, if there is a marriage in the weavers' family, advances money, and if there is death ceremony, advances money. Thus, he is a great institution, a sort of a social insurance. My humble opinion is that neither Madras nor Delhi has understood the real position of the master weaver. For the purpose of quality control, unless you have the master weaver, you will not be able to achieve it. For, each master weaver tries to protect his reputation by looking to the fact that the goods produced by the weavers working under him are up to the mark, and will not in any way spoil his fair name in the market.

It has become a fashion to say that all encouragement should be given to the co-operative societies. I have no grudge against the co-operative societies. I like them. I appreciate their work. They are good in their own way. But, I am not prepared to subscribe to the view that all encouragement should be given to the co-operative societies alone and that they alone will solve the problem of the handloom weavers. I know, in Madras, even though the co-operative societies play a very important and very valuable role, they themselves were not above board in their transactions. It is amazing.—I have got a copy of the report of the working of co-operative societies in Madras—that while in 1949-50 the net profit of the weaving co-operative societies was only 4,23,000, in 1950-51, the profit was 113 lakhs. In one year, that was the difference. If they could make so much profit out of it, what is the benefit that they give to the consumer? The price at which the co-operative societies sold their goods was the same at which the ordinary handloom weavers were selling their wares. If we analyse this, we find that the co-operative societies had all the benefit, which the backing of the Government brings to them. On the one hand, the mills which are composite, take yarn at the rate at which it is produced. They have got an initial advantage of a lesser price. The co-operative societies get the yarn at the ex-mill rate. They get dyes and other things necessary for weaving, at a cheaper rate. My honest computation is this: that the difference in the price of yarn between the mill and the handloom weavers is roughly about 25 per cent. In between the composite mill and the handloom weavers come the co-operative societies. They get an

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initial start of about twelve and a half per cent. in the price of yarn supplied to them. The ordinary weaver has to get the yarn either through the master weaver or through the wholesale yarn dealer or the retail yarn dealer. At all these several stages, the price of yarn goes up by about 25 per cent. when it reaches him. Yet, the co-operative societies sold the cloth at the same rate at which the ordinary weaver sold them. I say, the co-operative societies ought to have given to the consumer the benefit which they derived with the help of the Government. They did not. They piled up their profits. The ordinary weaver had to compete with the co-operative societies, not by increasing output or making less profit, but by working for longer hours at lesser wages. That is how he has been able to survive so long. I request the hon. Minister for Commerce and Industry to take a more sympathetic attitude towards the master weaver. To correct the ills, I do not mention corruption, that is prevailing in some of the co-operative societies,—there are cases—it is necessary to encourage and support these master weavers, so that the consumer might benefit by the resulting competition.

I want to make another submission. The individualism of the master weaver has to be broken down. Facilities ought to be given to them by which these individual master weavers could gather together into corporations so that they might be made to maintain a particular standard, and be in a position to compete with the co-operative societies, and if necessary, even with the mills also. For that, I request that the hon. Minister may be pleased to make some funds available to the master weavers also.

The other point that I wish to emphasise is that the amount so collected must be utilised to rationalise the handloom industry and standardise production. I do not wish to go into the details of the several processes. But, the point is that a lot of time is wasted by dealing individually with *sarees*, manufacturing them in short lengths and not working collectively. There are several processes by which the industry could be helped. For instance, there are cases where the cloth is woven to a length of eight yards or sixteen yards as the case may be. After eight yards, they have to cut and then re-stitch which involves waste of time. I have seen in places like Aruppukottai long warps of the length of 200 yards being made, and if such long warps could

be introduced, it would be helpful to the handloom industry. Also, in order to help the handloom industry to compete with the mill industry, certain appliances—for instance, bleaching and sizing apparatus which help to make the mill cloth better and attractive to the consumers—must be introduced. And I hope the monies now collected from the Mills will be utilised for this purpose.

Then, I come to the question of reservation. In November last, the Madras Legislative Assembly passed a resolution unanimously saying that there must be a reservation of a field in which the handloom industry should have the sole monopoly, and that was in respect of *dhoties* and *sarees*. It is a strange thing that in a conglomerate body of 375 Members, there was perfect unanimity in passing that resolution. It is remarkable. And I commend that resolution to this House, and I request the hon. Minister also to look into that aspect of the matter, in addition to what he is doing now, because when a large body of men express a unanimous opinion, there must be something solid and substantial in it. That reservation was nothing new. If you take the report of the Fact-finding Committee of which Prof. P. J. Thomas was the Chairman in 1942, you will find on Page 226 the Committee recommends reservation of certain types. They go to the extent of saying that cloth from the reed width of 25" to 50" ought to be reserved. They also say those types of *dhoties* and *sarees* should be reserved for the handloom industry. It is unfortunate that though this report was printed, it was not published. There is a mine of information in that report, and I would request the hon. Minister to have it published because the views expressed therein are very helpful to the handloom industry.

It would be also helpful if, in addition to the assistance that the hon. Minister is rendering to the handloom industry, he also stops further increase in the loomage in mills. I find from the report that under the Industries (Control and Development) Act, the Ministry has given permission to the expansion of looms to the tune of about 80,000. When the handloom weavers are dying—they have no work, they are going to the streets of several towns for want of employment begging—it would be wrong to allow an increase in mill loomage. I do not mind increasing the spindlage. Spindlage can



be increased so that we are in a position to export our yarn and earn Dollars or other exchange, and also help the growth of the handloom industry, but to allow any increase in the loomage, my humble submission is, is perfectly wrong. And I do hope that the hon. Minister will step in and see that there is no further increase in the loomage.

In addition to this, it should also be possible to find ways and means of supplying the handloom weaver in the remotest village, yarn at the price at which it is available to a composite mill. I would suggest to the hon. Minister that if he has got any great desire to help the handloom industry, then, the smaller types of spinning apparatus, of 10, 20, and 100 spindles which are manufactured in Japan, should be imported in large quantities and distributed over the whole length and breadth of this country, so that the weaver need not depend upon the mill production, but may depend upon a small spinning unit in his own house or in his own village, and be able to procure yarn at a price which would enable him to compete with mills and even co-operative societies in the production of cloth.

There are a few other suggestions, but I do not wish to take the time of the House. However, I want to make one other suggestion, viz., that the industry must depend largely upon the export trade, and for the export trade it is absolutely necessary to control the quality of the exports. I would suggest to the hon. Minister to see that no goods which do not bear the stamp of standardized quality are exported outside India. I would also suggest to the hon. Minister to pursue this Bill with another Bill by which there will be reservation not merely of *dhoties* and *sarees*, but also of the reed width range of 36 to 54 inches. That, I submit, is the only panacea to remedy the ills of the handloom industry, and secure for the industry a permanent and abiding place and enable it to stand up against the competition of the mills.

**Shri Kelappan (Ponnani):** I am glad that the Government have at least come to think of Khadi and cottage industries.

From the figures of the Charkha Sangh we find that the production of khadi reached its peak in 1942/43 when the production was about 190 lakh square yards. And it touched the lowest depth—when we became free—in 1947/48, the production falling from

190 lakh square yards to 45 lakh square yards. The sales also were the lowest in 1947/48. This cess will certainly go some way—a great way—to improve the production of khadi. And khadi production can be expanded to any extent and Government will have enough to clothe the whole country with khadi. The problem will arise as to how to dispose of this khadi. If the Government is prepared to subsidise khadi, if they are going to give the Khadi and Village Industries Board a few crores to increase their production, and provided the Khadi and Village Industries Board will co-operate with the Government the production will mount up. But certainly they will not be able to bring down the prices of khadi and handloom goods at least on a level with mill cloth. As long as you are not able to bring it to a level with the mill cloth, I do not know how you are going to increase the sale.

What this subsidy will do is this: There are people now who wear khadi. They will get khadi at a cheaper rate. I cannot understand how it is going to increase the sales. There may be some people who, because of its high price, are not using khadi. Some of them may be tempted to use it, if the prices are lower than what they are today. But the problem will again arise in a different manner.

Supposing the Charkha Sangh is able to increase the production—and that was a problem that faced them some time ago—lakhs of yards of khadi will again be idle, without their being able to find a market. I ask, whether this Government will be prepared to buy the unsold khadi? If they are prepared to buy the surplus even, then, how are they going to dispose of it? In Madras there are a few intense khadi centres, under the Government. Part of the khadi from these centres goes to the Government Printing Press, to be used for binding their publications, we want to clothe the people with khadi.

The Charkha Sangh has a five year programme, according to which an expenditure of Rs. 15 crores was envisaged, for giving work to 75 lakhs of spinners, and to produce about 150 crores of yards of khadi. They imposed certain conditions on the Government, which, however, the Government were not prepared to accept. But the Sangh has not withdrawn their co-operation. Again, they have placed certain conditions before the Government. Some of the conditions are these:

- (1) Government have to make a declaration of State policy to the effect that each village must produce its own cloth. To

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this end, like literacy, it must be its duty to teach spinning to these people.

- (2) Khadi should be the official dress. At least it should be worn during the working hours.
- (3) Government should, for all their requirements, use only khadi and no other mill cloth.
- (4) There should be an assurance from the Government that they would arrange for the purchase of yarn from the spinners, provided the latter themselves used khadi, to the exclusion of any other kind of cloth.
- (5) Spinning should be introduced as a compulsory subject in primary and middle schools.
- (6) Every village or its *panchayat* should be empowered to impose a cess on cloth, oil, sugar etc. coming from outside its borders, for protecting its own cottage industry.
- (7) There should be a cess on mill cloth.
- (8) This cess should be used not only for cheapening khadi, but also for promoting the schemes for khadi development. All such schemes must be formulated and executed in terms of the policy, programme etc. framed by the Charkha Sangh, and under its supervision.
- (9) The cess should be partly utilised for employing the village workers, and partly to better the processes of khadi production.
- (10) Rural workers or employees who have taken some khadi diploma in the Charkha Sangh should be given preference in the matter of employment.
- (11) Charkha Sangh, if its participation is sought, should have full freedom for carrying out its programmes, without being hampered by red-tapism.

In asking Government servants and other public servants to put on khadi, I do not think there is anything very objectionable. When the Britishers were here, public servants had to put on ties, coats, etc. I do not think anybody objected to that then. Not only,

that, there are some people who have taken to that form of dress with a liking—yes with a vengeance as some suggest. What is wrong in insisting on Government servants to put on khadi? After all, that is not going to increase the expenditure on their dress, which it did in the other case.

If it is only just to satisfy the people that the Government are doing something to help khadi and handloom industry, then they may be contented with levying a cess. But then a new problem will arise. Khadi will be produced in enormous quantities, and the Charkha Sangh will be faced with the problem of finding a market. Will the Government be prepared to purchase all this khadi? As I said in the beginning, it may not be possible for the Government to purchase all this khadi.

In the Madras State, the Chief Minister has a solution that a certain sector must be reserved for handloom cloth; namely, *dhoties* and *sarees* to be manufactured only by handloom industry. Even that is not going to solve the problem, I am afraid. Again there will be a clash between khadi and handloom. Supposing counts up to 20 are reserved for khadi, while counts from 20 to 60 are reserved for the handloom industry, even then it would not be possible to find a sale for khadi. People may purchase cheaper handloom in preference to khadi.

There is one other point also, to be noted in this connection. The development of khadi and handloom is made dependent on the cess that is to be derived out of the internal consumption of mill cloth. To my mind, it is really wrong in principle to do so. If the internal consumption of mill cloth goes down, that would mean that the cess necessary for the development of khadi and handloom would not be forthcoming. So I would suggest that they should not be made to depend on the cess on mill cloth, and that the field should be left open for khadi and handloom only, in the matter of clothing. I do not know all the facts, but during the last four or five years, and even during the last year itself, new licences were given for more mills, and the capacity of old ones has been developed to a great extent. That means there would be more production of mill cloth hereafter. A planned economy is lacking. Supposing the mill cloth that is produced is all for export while the khadi and handloom cloth produced in the country is used to clothe the nation, then we would be able to solve this

problem. I would also suggest that it should be possible for the Government, if need be, to increase this cess which is now three pies per yard.

It is rather amusing to see some of these businessmen suddenly becoming sympathetic to the consumer. Even the hon. Minister is very solicitous about the consumer and has stated that their fastidious tastes should be catered to. But in the matter of sugar, and ball-bearings on which has now been levied an import duty, cement etc. they never thought of the consumer at all. We have been paying for sugar a very exorbitant price so that the mill-owners here may flourish. Not only that. Now we pay them a higher price so that they may sell their sugar in the outside markets at a cheaper price or at almost the same price as sugar from other countries is selling in those markets. The consumer is being taxed for that. So in all these cases they were not thinking of the consumer. Now when it comes to a question of imposing a small cess on the mill cloth to help handloom they are very solicitous about the consumer and say that they will have to pay more for their cloth.

So I earnestly request the Minister to tell us what his policy regarding handloom is. My suggestion is that sectors may be fixed for khadi and the handloom, the handloom sector not being allowed to make cloth below, say, 20 counts. All the cloth that the country wants for its use must be finally the sphere of khadi. Handloom in course of time could certainly take to hand-spun yarn. Thus, finally we should have only hand-spun yarn and hand-woven cloth for home use.

I understand from the Charkha Sangh that a new *charkha* has been invented recently which will give about two hanks of yarn per hour. If that is so, then hand-spun yarn could certainly take the place of mill yarn, and there will be enough people in the country who will take to spinning. When we advocate spinning as the major cottage industry to provide work for the unemployed population objection is raised that spinning is not sufficiently paying and people may not take to it. Now, the question is not what income they are able to make by spinning. People who have not got any work, who have no income of any kind, will certainly take to spinning if they can make a few annas by it. If this improved *charkha* is also subsidised by the Government and sold at a cheap rate, poor people will be able to make all the yarn that we require and earn a good income.

I welcome this measure as far as it goes. I fear the Government will immediately, in the near future, be confronted with the further problem of finding market for the khadi and handloom cloth they help to produce. Then, I suppose, the Government will devise some means of finding a solution to that also.

पंडित ठाकुर दास भार्गव : जनता  
चेयरमैन साहब, मैं आप का मशकूर हूँ  
कि आप ने इस जरूरी बिल पर मुझे  
बोलने का मौका दिया। (Interruption).

**Dr. S. P. Mookerjee** (Calcutta South-East): They would like to hear in English.

**Shri C. D. Pande** (Naini Tal Distt. cum Almora Distt.—South West cum Bareilly Distt.—North): South India is interested.

**Shri Velayudhan**: This Bill is for South India.

**Shri Punnoose** (Alleppy): It is a problem affecting South India much more.

**Pandit Thakur Das Bhargava**: Sir, I bow to the wishes of my friends and would like to speak in English.

I congratulate the hon. Minister on his introducing this Bill in this House. But I must say that what we expected of this hon. Minister particularly—in that I feel disappointed. When I read his Ministry's report, which was circulated and which was discussed in this House, I was very happy because from the traditional way of thinking there was progress in everything that he did but we have got such a firm faith in what he does that we expect from him more and more. Really my complaint is this. He is not only a Minister here; he is one man now in the House who can be said to be responsible for these three articles in the Constitution—articles 41, 42 and 43. Article 41 says:

"The State shall, within the limits of its economic capacity and development, make effective provision for securing the right to work, to education and to public assistance in cases of unemployment, old age, sickness and disablement, and in other cases of undeserved want".

Article 42 runs as follows:

"The State shall make provision for securing just and human conditions of work and for maternity relief."

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And Article 43 runs thus:

“The State shall endeavour to secure, by suitable legislation or economic organisation or in any other way, to all workers, agricultural, industrial or otherwise, work, a living wage, conditions of work ensuring a decent standard of life and full enjoyment of leisure and social and cultural opportunities and, in particular, the State shall endeavour to promote cottage industries on an individual or co-operative basis in rural areas”.

When I read the report, I thought that every Member of this House should congratulate him and his Deputy on the progress that the country has made in regard to the various industries. But when I consider that these two gentlemen are not only here as Ministers of Commerce and Industry, but they are the men who put their signatures to this report and were responsible for enacting these provisions, really I fail to see in the Bill what I expected to see.

Now, it so happened that here when we were considering the other aspects of the question regarding the Ministry of Commerce and Industry, Prof. Agarwal and Shri Kelappan both made certain points. And I was very happy to see that their approach was certainly very good and fundamental. When I heard the speech of the hon. Minister again, in his concluding words he gave the traditional replies and said everything is perfectly O.K. and successful.

But may I humbly ask him what solution he has got for liquidating unemployment of this country? Is this the solution that he wants to offer in this House? My humble submission is that even when I read the Planning Commission's report—and I read it in relation to this Bill also—I felt very much disappointed. If you kindly see the past history of this country—about thirty years of agitation which the Congress and the Father of the Nation made in regard to our economic ills—the House will find that in 1920 we used to burn foreign cloth. There was a very interesting argument between Mahatma Gandhi and Shri Rabindranath Tagore about the ethics of burning foreign cloth. Mahatmaji said it was a poisonous thing and he would not touch it. The Congress went out of its way and boycotted foreign cloth. So much so that for years together no foreign cloth was to be seen in the markets. We remember how many persons were sent to jail on this

account. But then the alternative suggestion that Mahatmaji had was this khadi. He said this would give employment to weavers and subsidiary employment to the cultivating village people. My humble submission is—as I wrote in some other place as a Note of Dissent to the Grow More Food Enquiry Committee's Report—that land is not enough in this country. If we partition all the lands, then we will get, say, half an acre each. That will not be sufficient for each one of us. All the land if cultivated will not be able to meet all the necessities which we have to satisfy. These 36 crores of people in India want something else than land. In the villages, what would happen if the land is distributed as it is going to be distributed at some places? Two classes of people will emerge, the landless class and the class that have the security of land.

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Now, I am not one of those who are opposed to land reforms; but all the same I do think that the land reforms themselves will not be able to solve the real difficulties that we suffer from. Therefore, in my humble opinion, the only solution is to be found in the village industries. If a landless person in the village gets a good amount of work which shall bring him sustenance as an ordinary cultivator would get by cultivation of land, then alone all the difficulties would solve and not otherwise. If a man has got five acres of land and he gets Rs. 100 from that land, I can understand that. So far as those persons are concerned, who have got five acres of irrigated land, it can be taken that we have secured to them some subsistence. In every village how many people can you find with five acres of land? And then lands are unirrigated. That is a separate question, but all the same, the only way in which we can solve this problem is through the village industries. There are village industries, there are industries in the cities, there are industries everywhere and every person must get something—why something, quite enough to provide him with clothing, food, shelter and other things for having a proper cultural life. This is the basis on which we enacted these three articles.

Now, the question to which I address myself is this. Does this Bill satisfy the requirements of these articles? My humble submission is that we have not fully appreciated the problem of unemployment and we have not fully understood the implications of the solution that we are going to have so far as this Bill is concerned.

Now, my friend, Shri Kelappan was pleased to say that only people who can afford to pay, now purchase khadi. Khadi is not an economic proposition at all. Those gentlemen who clothe themselves in khadi have to pay more than other people. Mahatmaji used to say that mill cloth should be used by poor people and khadi should be purchased by richer people. But, will that be able to solve the problem? I agree with our hon. Minister when he says that shibboleths, dogmas and slogans do not solve anything. Unless and until we arrive at an economic proposition that what we pay for khadi is worth it, we will not be nearing solution.

Then, what is the remedy? Even if these six crores or 600 crores were given to the hon. Minister to subsidise khadi, I am afraid he will not be able to find the right solution. How will you be able to give wages to those who will not be employed, who will not be able to produce economic cloth? Unless on merits you can justify that this cloth is bringing so much price, nobody is going to buy. It is not a question of days, months or years that you can say patriotic people will do this and not do that. In regard to social matters, in regard to economic matters, I do not believe in these slogans or even in the continuance for a very long time of very good motives in human beings. It was in 1827 that the first meeting about the Child Marriage took place. It was in the year 1930 that we passed the Sarda Act. For a hundred years we waited and nothing could be done. I may submit, Sir, you may have to wait for 100 years and go on preaching patriotism to the people and none of them shall ever buy khadi. What is there if a lakh or even ten lakhs of people buy khadi? That would not solve the problem. My humble submission is that unless and until our Government and the hon. Minister take some revolutionary step, unless they do something which may change the entire mentality of the nation, the thing would not be solved.

My friend, Dr. Agarwal, spoke about the Swadeshi movement. His voice was reverberated from the other side also. I am all for Swadeshi. All my life I have been preaching and working for Swadeshi,—but I know we cannot find a greater public supporter of the cause than Mahatma Gandhi,—and what is the result? I have worked for the last 30 or 35 years. I have not seen a single village so far as the Punjab is concerned—I do not know about other parts—I have not seen a single village in which this khadi is giving livelihood to any good number of people. So far as the ordinary peasants

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are concerned, in the Punjab where they have got irrigated lands, what does spinning bring them? So far as the ladies are concerned, in olden times every lady used to spin, every person had a *charkha*, that is a different matter. The habits of those days are also now wanting. My submission is this. You are going to pass this Bill. Very humble people will not buy khadi. What is the solution? You cannot produce economic khadi. No person would buy uneconomic khadi. What would you do? We are all happy that we have produced in the last year such an amount of mill-made cloth. At the same time, I am extremely sorry when I read in the report that the handloom cloth weaver is suffering. I find that big business is prospering but that the humble man has lost his livelihood. He is not able to earn his bread.

I must submit that so far as these mills are concerned—I am not an enemy of these mills—I want industrialisation of my country—but I cannot conceal from the big business people that so far as I am concerned, I want to see in this country that the mill-made cloth is purchased by no person for the purpose of clothing himself. I want to see that what all the mills produce must be sent outside the country and bulk of my countrymen should get employment by weaving the cloth required to clothe the nation. This may look to be revolutionary. I know apparently it may seem as if I am reading from the Arabian Nights that all this cloth should be exported. I know that this is not possible but, at the same time, the dream that I have got, if we want to solve unemployment in this country, is that we should export whatever cloth is produced in the mills and produce enough khadi here for our consumption. Unless this is done, unless I see that every hon. Minister is clothed in hand-made cloth, unless every department of this Government uses the cloth which is manufactured by the handlooms, I do not see how this Bill will at all solve the problem before us. I would, therefore, have looked in this Bill for an enunciation of the policy of the Government that the mill-made cloth will be substituted by this cloth, so far as clothing is concerned. I wanted the enunciation of this policy in this Bill. I know when many such Bills come before us there is an enunciation of the policy in the Bill or in the Statement of Objects and Reasons. The hon. Minister has not sympathy for the handloom weavers, the handloom weavers of Madras. How many of them are there? We should have in this country

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cottage industries including this main one—other industries may be able to absorb a number of people—but so far as the main population is concerned, this is the main industry in which our people shall have to be employed. I do not look at the problem from the point of view only of the few men who are now engaged in the handloom industry. I look at it from the point of view of those crores of people who are unemployed and who are under-employed. I know the difficulties. I have seen them with my own eyes. With your permission, Sir, I shall just tell how I am impressed by them. I come from a district in which famine recurs every three or four years and the extent and severity of the famine is very great so much so I have seen cattle dying before my very eyes. I have seen people starving and nine persons subsisting on eleven pice. I have seen how they were working. We started relief with the *charkha*. When the Government would not help us, we started helping ourselves. We asked our Congress Committee to help these starving people. The House would be pleased to know that we were sometimes paying one anna and sometimes even two and a half pice. That assistance of one anna or two and a half pice was sufficient to keep body and soul together so far as those people were concerned. It so happened that the Punjab Government took a lesson from us and in 1939 they spent something like Rs. two lakhs on giving relief through *charkha*. I maintain that in all these famine-affected areas, if you can give relief by the *charkha*, that is the most potent and best relief. I find my hon. friend Shri Krishnamachari is smiling. I think he does not believe what I say. As a matter of fact, those people lived on one anna. Today you may not believe it, but in 1930 people were getting Rs. four as pay and an ordinary servant used to spend Rs. two on himself and remit the balance home to his family. I have seen it. Perhaps, my hon. friend who has been living in cities has not come across such cases.

Now, what is the remedy? How should we proceed? I would have expected that along with this enunciation of policy, something more should have come before us. The Minister should have come forward with a Bill like the one suggested by Mr. Kelappan. This time we know that the Madras Assembly passed a resolution and Rajaji was very insistent on seeing that certain designs of cloth in *dhoties* and *sarees* were reserved for the handloom weavers. My humble submission

is that this is a very partial solution. If khadi come into competition with mill-made cloth, it cannot stand on its legs. It is impossible. Japan and our own mills manufactured khadi and the mill-made khadi was sold in competition with hand-made khadi during the Swadeshi movement. Therefore, unless and until you find a radical remedy for this disease, unless and until you ensure that khadi will sell on its merits in the whole of India to the exclusion of mill-made cloth, you will not be nearer a solution. All of us, and not merely Members of this House, must bring about such a mood and atmosphere in the whole of India that we will refuse to wear anything but khadi. Unless we do that, the problem will not be solved. This problem is too deep for solution and any person who has gone and seen these unemployed people cannot but come to the irresistible conclusion that the solution of the problem cannot brook delay any longer.

I heard the speech of the hon. Minister. He was mentioning about cinemas and about villagers walking some miles to see a picture and coming back etc. He gave us an idea that there were some revivalists among us who wanted India to remain as it was some thousands of years ago. I do not know if he referred to some amongst us, but I do not think any Member of this House gave a picture like that. That is a picture which today can be conjured up only in imagination. In modern India, people have improved, shall I say, too much and if you wish to tinker with the problem, they will not hear you. This is nothing but tinkering with the problem. I want the hon. Minister to give me some proposal by virtue of which he would see that unemployment in this country is liquidated. Is this Bill the only solution? If so, I must say that I am not satisfied with it.

**An Hon. Member:** It is a part solution.

**Pandit Thakur Das Bhargava:** If it is a part solution, I am happy with it, and I think it is a part solution. But he must give the whole picture. He has refused to do so. I expected that the man who was responsible for drafting the Constitution would give us something more.

**Shri M. S. Gurupadaswamy:** He has forgotten the Constitution.

**Pandit Thakur Das Bhargava:** But he was responsible for it. How can he

eat his words? He has to give a reply to these unemployed people.

I read the Planning Commission's report. I was not and am not satisfied. They have not given a solution. They have also tinkered with the problem. I wish they had given a solution.

**Sri Velayudhan:** Why do you not give a solution?

**Pandit Thakur Das Bhargava:** It is for my leaders to give. It is for Sri Krishnamachari to give. It is for the Planning Commission to give. I am a numble man. I cannot give any solution. At the same time, I am a follower of these gentlemen, and I want them to give me a satisfactory solution. I am not satisfied with this solution. Why do you not come forward and say that mill-made cloth will be excoriated from the country and we will encourage khadi to such an extent that on its own merits it will sell and mill-made cloth will disappear?

I listened to Mr. Somani. People say mills are making too much profit and the Finance Minister wants now to make an amendment and therefore he was very much unhappy and dissatisfied. I must very humbly tell him that while I am in sympathy with all the industries of my country and I want industrialisation of my country, I do not see any future for khadi so long as textile mill people go on producing more and more mill cloth. The more you produce, the more frustrated I feel, because I know that if the mill cloth is there, you cannot help the cottage industry. The greatest cottage industry is the weaving and spinning industry. I for one would suggest that spinning today is not remunerative and a spinner does not get anything substantial and it is very doubtful if it will at any time become remunerative; and therefore we should give attention and concentrate not merely on weaving but on spinning. If you can make spinning also lucrative, then a solution will be nearer. Otherwise, all this talk of subsidy and giving a living wage to the men who produce khadi etc. leads me to think that even Qaroon's treasure will not suffice to sustain this industry. So, I would like to see that the spinner gets a living wage and good conditions of work. I know it is a rather difficult affair. So far as the produce is concerned, I myself think that, just as Mr. Kelappan read out, those who produce will not be able to wear because if they do they may be economically ruined and yet they will be obliged to wear. So, what is the solution? It baffles my

understanding. The only thing that I am able to say is that ultimately we should make khadi a national industry and we should see that those who are engaged in it get a decent, living wage. This can only be done if we become Swadeshi-minded, not by compulsion, but in spirit and by legislation. I really think that the counterparts of this Bill should have been here. For instance, Government should be able to take up the entire cloth produced by these people, and they should bring a Bill saying that the entire nation will be clothed by this cloth and gradually mill cloth will be excoriated from the country. Today, what happens regarding food? The Madras gentlemen who never knew what wheat was have been forced to take wheat. It has been forced down their throats. Similarly, we in the North never knew what jowar was yet we are forced to take jowar. In a national emergency, all these things are bound to happen. I find my hon. friend Dr. Krishnaswami clothed in woollens and wearing a neck-tie etc. If he wants a solution, then I would force him to use nothing but hand-made cloth. If he is not going to do it, then there is no room for him in India. So, if you want a real solution, then let us go to the logical effect.

**Shri Velayudhan:** Is that democracy?

**Pandit Thakur Das Bhargava:** I want to know what is democracy. Is it democracy for my hon. friend here to get Rs. 40 a day, whereas that man engaged in this industry does not get even 10 pias a day?

If you really mean business and you want to see every person.....

**Shri Velayudhan:** You are also getting Rs. 40.

**Pandit Thakur Das Bhargava:** I do not say I do not get it. What I am saying is that democracy expects that you must put up with some inconvenience. You cannot ignore facts and follow an ostrich like policy. If you look at things squarely it comes to this: you must provide employment for all the people and it can only be done if you have village industries. This is the basic and the most important village industry. Therefore, my humble submission is that this is a very good Bill. I am for it. I want it to be passed without delay. But it does not fully satisfy me.

**Shri Punnoose:** It is with a certain amount of satisfaction that I begin to speak on this Bill. At long last this Bill shows signs of a certain awakening on the part of the Government to the realities of a serious situation. The

[Shri Punnoose]

hon. Minister in his introductory speech also gave signs of a certain awareness on his part that the Bill has certain limitations and that the relief that is demanded of him by the handloom industry will not be forthcoming from this Bill. That recognition of the limitation of this Bill is rather a redeeming feature to my mind, because when once you are aware of the limitations, there is scope for progress.

Well, I consider it much better to confine myself to a very restricted scope. I do not feel myself competent enough to talk about the reordering of our society, or the rearranging of our society on a completely new basis. It is far beyond my scope—mental scope, as well—to imagine in the year 1953 of world market and large-scale commodity production that we can have self-sufficient villages, with absolute faith in *charkha*, khadi and all the rest of it. For the time being I do not allow myself to be worried by these big problems. I shall confine myself to certain immediate problems that face us.

The question of the handloom industry affects ten million people in this country. We on this side of the House are particularly interested in this problem. Time and again this question has been made the subject of public agitation and when I stand here today to speak, I remember the starving lakhs of people, thousands of families in Cannanore, in Chirakal, in Nagarcoil, in Balaramapuram and in various parts of Madras, who demand that something should be done immediately for their needs.

The problem of the handloom industry cannot be tackled in a piecemeal manner. You cannot simply say that you are going to subsidise the industry and thus the whole problem is going to be solved. Well, I remember that a restriction of 60 per cent. was imposed on the mill industry some time back in regard to production of *sarees* and *dhoties*. What really happened? Do you think that it benefited the handloom industry? Not at all. In fact, it benefited the very same gentlemen whose production you wanted to restrict. My hon. friend Mr. Somani went to the extent of saying that they—the textile mill owners—were benefited very much because that helped them to liquidate the old stocks that they had with them.

Now the real question which we have to consider is whether the step envisaged in this Bill will go to any extent to give relief to the handloom workers?

To find an answer to that we have first of all to take stock of the real problems of the handloom industry. Well, I would invite the attention of the House to a passage in the fact-finding Committee's report. The major problem of that industry is the supply of yarn. I am quoting:

"The supply of suitable yarn is a problem of vital importance to the handloom industry. As a raw material it accounts for a considerable portion of the total cost of production of the weaver, ranging from 50 to 60 per cent., or even more according to the counts and quality of the yarn. It is, therefore, clear that the availability of cheap and plentiful yarn is a primary condition of the success of the industry."

Fifty to sixty per cent. of the price of the handloom product is decided by the price of the yarn. So, that is the crux of the problem on the one side.

If you look into the statistics you will see that from 1910 onwards every year the percentage of yarn consumed by the handloom industry has been decreasing and the consumption of yarn by the mills has been increasing every year. During the war we were hearing of yarn scarcity. In places black market prices went thrice and four times the normal price. Today they get the yarn but they cannot sell the product. That is the trouble. So, the primary necessity is that yarn should be supplied cheap to the handloom weaver. What happens is that the mills get it at cost price or very near the cost price, because they have got composite mills. The percentage of composite mills has been increasing all the while. So, can we make the yarn available to the handloom weaver at cost price, or very near the cost price? That is one question.

The second question is this. Handloom produces about 800 million yards of cloth per year. Can we find a market for it? Is it possible for the handloom goods to compete with the large scale production of the mills? That is a scale production of the mills? That is a possibility about which I have no way. What is the way? The solution is very simple. Can Government make it possible to purchase all the handloom goods? Of course the question of master weaver, the question of cooperative societies all these come in. But these are all comparatively of second-rate importance. Eight hundred million yards



of handloom cloth purchased through Governmental agency will certainly land the Government in a loss. At the most the loss will come to Rs. 20 crores. If it is two annas per yard it will come to Rs. ten crores; if it is four annas per yard it will come to Rs. 20 crores. Mind you, this Rs. 20 crores means the existence and sustenance of about 20 million people. Rs. 20 crores is no doubt a big amount. But compared to the relief it gives to 20 million of our people it is not too big.

There is an impression in the public mind as well as elsewhere that this industry is something in the nature of a subsidiary source of income to the people. That is not right. It is not of a supplementary nature. It is the entire source of living for a section of our people. The same Fact Finding Committee (1942) says.

"Hand-weaving has frequently been considered as one of the subsidiary occupations open to agriculturists and pursued by them in their leisure times. Such a view has been expressed in certain census reports and other authoritative publications. But then the great majority of weavers in India, with the exception of Assam, are full-time workers. The proportion of full-time workers is 99 per cent. in Sind, 88 per cent. in Bombay, 87 per cent. in Madras, 81 per cent. in Punjab, 75 per cent. in the United Provinces, 75 per cent. in Bengal, nearly all the weavers of Travancore and Cochin, 97 per cent. in Mysore, and 85 per cent. in Hyderabad."

So it is a matter of life and death to these people. In order to give relief to them we must be able to purchase the whole handloom goods, sell them and make up the loss.

I quite understand that the amount that is proposed to be collected through this cess will be insufficient. However much we might improve upon this Bill, however much we might increase the cess, the demand will not be met. But it is one of the elementary duties of this Government to meet this demand. It is not a question of the place of the handloom industry or the cottage industry in our national economy. It is not a question of reorganising the economy of this country. But it is a vital and immediate problem because of the very important position it occupies in our national economy at the present time. I would bring to the notice of the House.....

**Mr. Chairman:** May I suggest to the hon. Member to address me?

**Shri Punnoose:** I am sorry, Sir. But that is because once in six months or so I am called!

**Mr. Chairman:** I do not object, but at least the form should be maintained.

**Sar. Punnoose:** So, Sir, the cess now contemplated to be imposed will be very insufficient to meet the demands. The three pies of cess that is going to be collected will at the most come to Rs. six crores. But as a matter of fact we want much more.

Then this cess is going to be imposed on all types of mill-made cloth. It is going to be imposed, according to the Bill, on coarse and semi-coarse cloth also. That will not serve any purpose. That will be just robbing Peter to pay Paul. We are of opinion that coarse and semi-coarse cloth should not be taxed. Fine and superfine cloth should be taxed, and a little more. They may be taxed one anna and one and a half annas per yard respectively. And then, with that amount, and also with an additional amount contributed by the Government we may begin doing something immediately.

The question of the master-weaver and the worker does not arise in this context. But it should be noted that to an increasing degree handloom has been taking the shape of an industry and in Bombay, Malabar and other places it has gone on in a big industrial way. I am told that 30 to 40 per cent. of the total production of the handloom industry is now coming out from medium and big factories. Such being the case, the first section that has to be cared for is the worker, the unemployed worker. The factories have been closed down and the workers are out of employment for a long time. With this money the Government should begin giving unemployment relief to the workers. The workers previously employed by master-weavers too have to be given relief. And then there is the small producer, the producer with one loom, two looms and three looms. He has to be taken particular care of and has to be subsidised immediately so that he can start production.

But when all is said and done, unless and until we are able to find some agency through which the whole handloom product can be purchased and markets found and the product sold, there is no use. I do not claim that this can go on for a long time. I do not

[Shri Punnoose]

claim that this is a final solution of the problem. I do not even claim and I cannot exactly see how this handloom industry can be easily accommodated in the order of tomorrow. But for today this is the only correct approach. And, if the signs of awakening that I see are really signs of awakening and not waking up between two sleeps, I hope that what I have said will be taken note of and that bold steps will be taken to give immediate relief and help to the handloom industry.

**Shri T. S. A. Chettiari (Tripura):** The history of this handloom industry has been a heart-rending one. Today it is passing through a very miserable time. We know of cases—I personally know of cases—where suicides have happened because of want of employment and want of food. And so this Bill has not come one whit too early.

The problem of all industries is one of marketing, and naturally the problem of this handloom industry is also mainly one of marketing. In this matter I am anxious that the Government should come to conclusions definitely about what their policy is. If the handloom industry is to live, let us make up our mind about it. Any luke-warm support to it will not only end in not giving support properly, but also it will not be useful, it will not be effective. And so what we have to face today is not whether we shall subsidise the handloom industry and to what extent. And personally I feel that subsidising by way of money creates an outlook, and a slavish mentality, which I would not like to encourage in any industry.

What I would like to do is let us find out in what ways it can be helped. In the last one and a half centuries mills have competed with handloom, with spinning. Hand-spinning could be brought about only in the wake of a national movement by a great supreme personality like Mahatma Gandhi. But the handloom has lived and I am sure it will continue to live because it has within it certain stamina with which it can compete with mill products. But today it is not able to compete. We can by giving a prop here, by giving it help here and there, make it live, on its own merit. That is the only way in which we can give lasting benefit to this great industry.

The number of people it gives employment to is more than one crore, nearly three per cent. of our population. It is much more than the employment of labour that textile mills give

today. And so let us be seized of the importance of this question and let us go into the fact as to how best we can give it a permanent support. From time to time, suggestions have been made and I for one agree with my great leader, Shri Rajagopalachari that it is good, it will be useful, it will be of lasting benefit to this country that a large portion of weaving should be restricted to handloom and in my opinion, that is a way in which you can permanently set apart marketing facilities for this industry. In this I would like the Government to make clear its policy. One of the members of the Planning Commission told me that it is the accepted policy of the Government that they will not encourage composite mills hereafter. By composite mills, they mean mills producing both spinning and weaving and that this will not be encouraged, and that hereafter they will not give licences for weaving looms in spinning mills. It has come to my Knowledge that certain mills have been recently given permission. That permission might have been given before the order effect to which was issued. I would like to know from the Government the enunciation of their policy in this matter, whether it is their policy to encourage powerlooms and at the same time bring forward this Bill to encourage handlooms. Both cannot go together. Both are contradictory and unless we say that certain types of cloth are entirely reserved for handloom and certain types of cloth for powerlooms, we cannot achieve our object. To my mind it is proper, it is good that we should have clarity of objective as to what we mean by the handlooms. Once we get the clarity of objective, then it will be time enough to implement them. I hope when the time for the reply comes, Government will give an indication of their policy in the matter, the objective towards which they are striving. That will go a long way to solve the problem. That will also go a long way for the people in the mills to understand the policy of the Government so that they will be able to co-operate with that policy.

I referred to the matter of marketing. Certainly co-operative societies can be utilised by weavers to come together for effective marketing but in this matter I have been troubled by one aspect. When the price of cotton went low—I think I am right—it was thought that the mills would suffer a great deal by the fluctuations in the price of cotton and it was proposed that the Government should invest a large amount of money in the purchases of

cotton, to prevent the price of cotton going down further.

**Shri T. T. Krishnamachari:** I do not know what you are saying.

**Shri T. S. A. Chettiar:** If I am wrong, I may be corrected. When there is a large glut in the market, when crores of rupees worth of handloom cloth is not being sold in the market, one of the ways by which Government can help the handloom industry is by purchasing all this handloom cloth, keep it as a Sales Society would do and sell it at times when there is demand. These handloom weavers today live from hand to mouth. Every day they go to the market. Today they are not even getting the price of yarn which they have paid but if there can be a marketing organisation, if there can be a Sales Society which can purchase and sell at times when markets are available, then that will be a great help to the handloom weavers throughout the year.

One other matter, Sir. In the case of handlooms, efficiency must be safeguarded. I find a disturbing phrase here. It is stated:

“handloom cloth’ means any cloth woven from any material including silk, artificial silk, staple fibre.....”

This staple fibre was largely imported into the country when yarn was in short supply. Many of the weavers who had used staple fibre, and whom I met, told me that it looks nice to look at, but after one or two washes it becomes so bad that they are ashamed to sell such goods to the customers. They told me that the ordinary consumer who purchases this does not get his money’s worth. They asked me whether we cannot ban this staple fibre from being imported into this country. Not only does it not give the money’s worth, but it also spoils the credit of the handloom weavers. Whatever can be done to raise the quality of the handloom cloth should be done so that the weaver may not get a bad name, out of the material that he uses or from anything else. In my experience, this staple fibre has considerably lowered the esteem of handloom cloth in this country. I was having a talk with my hon. friend Mr. T. T. Krishnamachari. He told me that staple fibre is used for borders. I wonder whether we should ever import a foreign basic raw material like this into India. This is of very doubtful value...

**Shri T. T. Krishnamachari:** A staple fibre factory is coming up at Nagpur. My hon. friend will realise that this fibre might be used.

**Shri T. S. A. Chettiar:** Will you give me an assurance that it would not be imported?

**Shri T. T. Krishnamachari:** The point is, the hon. Member has had a bad experience. But, staple fibre is not such a bad commodity as he seems to think.

**Shri N. Sreekantan Nair:** (Quilon *cum* Mavelikkara): He confuses it with artificial silk.

**Shri T. S. A. Chettiar:** I do not say that. I speak with great experience; but, it is with some experience.

**Shri T. T. Krishnamachari:** It has been a bad experience. I did not say that the hon. Member has no experience. It may be that the particular commodity imported then turned out to be bad. Generally, it is not bad.

**Shri N. Sreekantan Nair:** It is artificial silk; not fibre.

**Shri T. S. A. Chettiar:** Our objective should be to help them in all possible ways, by finding them a market, so that they may stand on their own legs and not depend eternally upon subsidies from the Government.

I have seen the composition of these Boards. Government have recently by their Resolutions constituted the Khadi Board, the Handloom Board and the Cottage Industries Board. I was interested in noting the personnel of these Boards. I believe one of the reasons for choosing any person must be that he should have good wishes towards the handloom industry and the faith that it can live. I find in the list a few persons, at least one, who has very plainly told me—and I am sure he has told many others also—that the handloom is not worth living, that it is bound to go, and that by all these subsidies that you give, you cannot make it live again. The first qualification of anybody entrusted with a work must be that he should believe in it. I hope the Government will take care to put, not only on the Board, but also in the case of officers who are going to work, people who have got faith in the handloom, and not people who feel that the handloom is bound to be destroyed in course of time. A few persons at least who are Members of that Board are not people about whom I have had very encouraging information.

One more technical matter. Clause 4 says:

“The Central Government may utilise the net proceeds of the duty of excise levied under this Act for meeting the costs of such measures.....”.

[Shri T. S. A. Chettiar]

May I know how the proceeds of the cess contemplated in this Bill are to be utilised for khadi and for handloom? The Government of India have set forth Rs. one crore for khadi and Rs. one crore for handloom. Can they give us an idea how the cess will be divided between these two? While the income is nearly Rs. five crores in a year, Rs. one crore for each has been allotted.

**Shri T. T. Krishnamachari:** It is a token allotment. Hon. Member who has been Minister will know that when we do not know exactly what we are getting, we ask for a token allotment. Further allotment will be made later.

**Shri T. S. A. Chettiar:** I perfectly understand what the hon. Minister is saying, viz., that it is a token allotment. I hope he will let us know in what proportion it is proposed to divide the money between khadi and handloom, whether it is half and half, or any other proportion. That also may be made clear. I have nothing more to say.

**Shri G. D. Somani (Nagaur-Pali):** I am aware of the fact that this Bill has received almost unanimous approval from all sections of the House, and if I rise to oppose the Bill, I must at the very outset make it quite clear that I am not in any way opposed to the principle of giving the utmost possible aid for the rehabilitation of our handloom industry. The issue that the millions of our people are in distress and should receive the maximum possible aid from our national Government is not under controversy. What I respectfully want to point out is that the issue should be taken in its proper perspective. Why to rehabilitate one section of the industry, the other section of the industry should be penalised is a matter which should receive the dispassionate consideration of the House.

So far as the excise duty on cloth is concerned and so far as the capacity of the industry to bear that excise duty is concerned, that is an annual feature of the Finance Bill and the Finance Minister every year takes into account the utmost taxable capacity of the industry and he regulates the excise duty according to the circumstances that prevail in the country at the time when he formulates his budget proposals. But here, it is a very novel Bill before us which seeks to impose a permanent burden of Rs. six crores on the industry without taking into consideration whether at any time in the future or

even at present the industry is in a position to bear this additional burden or not.

**Shri T. T. Krishnamachari:** The industry does not bear it.

**An Hon. Member:** It is the consumers who bear it.

**Shri G. D. Somani:** I am told that the industry does not bear it, but is the Minister in a position to give an assurance that if tomorrow the industry begins to make losses, the cess of three pies will not be collected from the industry. So far as decontrolled varieties are concerned, the cess has to be taken into consideration in fixing the selling price, and if the consumers are not able to pay the prices which will be remunerative to the mills, then what will be the position of the industry? Who will pay? Is it the industry or the consumer who has to pay?

**Shri T. T. Krishnamachari:** If 90 per cent. of the profits of the mills are handed over to me, I will underwrite the industry's losses.

**Shri G. D. Somani:** There has been so much bitter experience by the industry of this excise duty under foreign rule that I wanted to raise this issue when this vital Bill is being considered. The excise duty which was imposed on this industry during foreign rule was not abolished till all the Bombay Mills went on strike for six months, and ultimately the Viceroy of India, somewhere about 1928, had to rescind this excise duty and come to the rescue of the industry. Instead of having such a heavy impost of Rs. six crores on the industry, why not simplify the whole procedure? Why only Rs. six crores? Why not if necessary, take out Rs. 20 crores from the general revenues for this purpose? If that is necessary for the rehabilitation of the handloom industry, by all means provide that amount from the general revenues, and tax all the industries and all the different sectors of the community, according to their ability to bear the burden. The issue, as I said at the outset, is not one of helping the cottage or the handloom industry to stand on its own feet. But when you are placing a Bill of this nature permanently on the statute book, then you are departing from the principle of the capacity of the industry to pay. As I said earlier, we have had a bitter experience of these levies and taxes. Whenever the industry is in difficulty,

the question of continuing these levies and taxes should be reconsidered. As the report of the Ministry itself shows, the sellers' market has now converted itself into a buyers' market. There is a general recession all round. The purchasing power of the people is low. There is consumer resistance. It is in the context of the fall in prices that these burdens continue to be levied. If you see the history of the past four or five years, as the brochure of the Bombay Millowners' Association clearly brings out, about Rs. 54 crores' additional burden per year has been imposed on the industry, in the shape of these levies, excise duties, sales tax, and similar other levies for ameliorating the condition of labour etc. These levies have come one after the other, and they are coming at a time when the consumer resistance is increasing.

I was really very much surprised when I heard the opening remarks made by the hon. Minister, while introducing the Bill, that he had not a word to say about the capacity of the industry to pay, and whether the capacity of the industry will be reviewed from time to time, and whether this cess will be withdrawn when the industry suffers losses, and whether Government would do anything to help the industry.

So far as the remarks made by the hon. Members are concerned, I listened with all great respect to our veteran Member Pandit Thakur Das Bhargava, who was bold enough to say that he would rather like the Government of India to ban the entire mill cloth for use by the general public. I would not like to enter into a controversy with such an eminent personality. It is left for the Government to decide, in the context of the present economy, how far it will be feasible to put his proposal into practice, and whether we want to revert to the bullock-cart-economy. When we are talking of raising our living standards, and when we want our people to be more adequately clothed, to talk about the handloom industry being able to clothe the people of India seems to me to be really something quite divorced from the context of the present day world.

Then, there are talks about reservation of certain sorts for the handloom industry. As one of my hon. friends was saying just a while ago, the handloom industry has not at all benefited from this reservation. The question whether penalising the industry by restricting their production to certain

sorts only, would result in any corresponding benefit to the handloom weavers, is one which should have been properly investigated, before talking about all sorts of reservations. As was pointed out at the time of the Budget speech, the hon. Minister himself was very much sceptical about the move. He also said in one or two of his public speeches that the interests of the consumers were supreme, and that this policy of restriction on the production by the mills was not the proper way to assist the handloom industry. So far as the restriction of *dhoties* is concerned, there seems to me, to be some misunderstanding that it has benefited the textile industry. At a time when this was introduced temporarily, some of the stocks which the mills had might have been cleared. But the fact remains that the mills are suffering at present by having been prevented from producing something which was their regular feature of production. While the public are switching more and more to certain other varieties of cloth like long cloth to replace *dhoties*, the mills—as a matter of fact, those mills which used to have hundred per cent. of their production in *dhoties* and *sarees*—are suffering very terribly. So, talks about extending the reservation or levying a cess on the industry have to be viewed in the proper perspective—whether the textile industry is to carry on, or whether the textile industry has, to function smoothly and whether it has an important place in our national economy or not. So what I want to submit is this, that we are acting on sentimental considerations.

7 P.M.

An Hon. Member: No.

Shri G. D. Somani: Government have certain constructive measures with them. So many Committees and so many Commissions have inquired into this matter. But I would like to know from the hon. Minister what his department has done during the last four or five years in taking these really constructive measures to help the handloom industry. There is the question of increased technical aid, there is the question of cooperative marketing, there is the question of aiding the handloom industry in production of specialised sorts, there is the question of expansion of export markets for the handloom industry—there are so many constructive ways and I think I can say without any fear of contradiction that the Government departments concerned have failed miserably in giving this series of constructive help, which they could easily have given, to ameliorate and help the handloom industry. The

[Shri G. D. Somani]

fact is that while the Government departments concerned have not been rendering all the constructive assistance to the handloom industry, it has certainly been very easy to bring in a Bill of this nature whereby by one stroke of the pen they seek to impose a burden of these six crores of rupees, but it remains doubtful whether the real aim of this Bill to utilise this amount for the proper benefit of the handloom industry will be realised.

So I do submit that the question of the industries' and business bodies' approach to this problem should not be misunderstood. We are all in favour of a Welfare State. We also know that millions of people are engaged in this industry and deserve all possible help and encouragement. As I said at the outset whatever utmost capacity the various sections of our sector can bear—to contribute to our general revenues—is a matter which the Finance Minister decides at the time of placing the budget proposals before the House. Therefore, instead of bringing about such a sort of special legislation, let the Government come to the help of the handloom industry out of general revenues. I mean whatever assistance or subsidy or other sort of help is necessary for the handloom industry should be given from the general revenues and the textile industry or any other industry may well bear the burden to utmost of its capacity, as it has already been doing. We know there is a small surcharge on cotton, on jute, on coffee, on sugarcane and on so many other commodities. But the principle there is that the proceeds of such cess go to the benefit of the same industry. I can understand a cess for the rehabilitation of the textile industry or for some kind of research work for the industry. But this is rather a very unprecedented and novel measure of penalising one industry to improve the other industry which may really be termed competitive. So this whole principle of the Bill is wrong. When I say I am opposed to this Bill, as I have said more than once, and I will repeat it again, before I sit down, we are not in the least opposed to any amount of help or assistance being given to the handloom industry. Both the industries, i.e. the handloom industry and the textile industry, have continued to live together for quite a long time. They are in a sense complimentary to one another and there is no reason why the handloom industry should not also live in future. It has a definite place of importance in our national economy and the textile industry will in all respects be cooperative with the Government in

giving all sorts of assistance to the handloom industry.

As hon. Members are aware, the textile industry is playing a vital role in supplying yarn at a very cheap price to the handloom industry for a very long time. (*Interruptions*). Yarn supply and prices are controlled by the Government and the mills are compelled to give their production to the full requirements of the handloom industry. They are thus making a vital contribution already to the rehabilitation of the handloom industry and I see no reason why a Bill of this nature which seeks to impose this unprecedented burden on the industry in the context of the present falling prices, recession and the consumers' resistance, should be brought forward. So I would like the hon. Minister to consider the implications of this Bill and to give an assurance at least that the capacity of the industry to pay will always be the dominating factor for any sort of such burden, and whenever an occasion arises—and I say that this occasion is coming shortly as the present circumstances do indicate that the consumers' resistance is there and that the consumers are not in a position to pay these additional levies, and excise—the Government should take adequate care that the industry is not unduly penalised and the approach of the industry is not misunderstood either by the Government or by the hon. Members.

**Mr. Chairman:** Before I adjourn the House, I find there are a large number of Members who want to take part in the discussion of this Bill, which is no doubt an important one.

By reference to the business that is fixed on the Order Paper it appears on the 6th and 7th we will finish the consideration of the Demands for Grants. On the 7th evening the Appropriation Bill will be introduced. I propose that on the 8th after the Appropriation Bill is taken up and finished—I hope that the Appropriation Bill after the consideration of the Demands for Grants which has taken such a long time will not take much time—we take up the consideration of the present Bill which is under discussion today. There will be time because I do not think there will be much discussion on the Appropriation Bill as the scope for discussion on that Bill is very limited.

On the 7th the Appropriation Bill will be introduced after the Demands for Grants are over. On the 8th the Appropriation Bill will be taken

up and finished. And then, after that this part discussed Bill will be taken up. According to the proposed order of business, this will be there on the 8th. Subsequent arrangements will be made and this will be taken up on the 8th after the Appropriation Bill.

The Finance Bill will then come up and will be taken up on the 8th, 9th, 14th and 15th.

The House will now stand adjourned till 2 P.M. on Monday.

The House then adjourned till Two of the Clock on Monday, the 6th April, 1953.

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