

12.30 hrs.

**CALLING ATTENTION TO MATTER
OF URGENT PUBLIC IMPORTANCE
ARISING OUT OF SLUMP
COTTON PRICES**

SHRI M. C. DAGA (Pah): Sir, I call the attention of the Minister of Commerce to the following matter of urgent public importance and I request that he may make a statement thereon:—

"The situation arising out of cotton growers getting no buyers in the market, particularly for long staple cotton, Cotton Corporation of India not purchasing cotton and Government not coming forward with price support."

**THE MINISTER OF COMMERCE
(PROF. D. P. CHATTOPADHYAYA):**

MR SPEAKER: Sir, some Hon'ble Members have drawn our attention to the decline in the prices of long staple varieties of cotton and its consequences for the cotton growers. At the outset, I would like to reiterate that it would be Government's objective to ensure a fair balance between growers receiving reasonable prices for their crop and consumers finding cloth prices within their reach, while cotton growers should receive reasonable incentive to augment cotton production, we have to see that cotton prices do not become too bullish to interfere with our objective to prevent the recurrence of inflationary pressures in our economy.

There has, no doubt, been a decline in the level of prices of both Kapas and lint as compared to the high average achieved during 1974. For instance, price of MCU-5, a popular long staple variety, which was around Rs. 365/- per quintal in the last week of November, rose to Rs. 420 per quintal in last week of January, 1975, but has come down to around Rs. 400/- per quintal. Similarly, the lint price of this variety, which increased from Rs. 3,200/- per candy to Rs. 3,800/-

per candy in the corresponding period, is now around Rs. 3,725 per candy. It is, however, important to realise that the peak prices achieved in some months of 1974 reflected high demand for cotton emanating from a textile boom both in the domestic and the international markets. This boom could not persist indefinitely. The decline in the price of long staple cotton from Rs. 550/- per quintal of Kapas to Rs. 400/- per quintal also reflects a relative improvement in the supply of long staple cotton as compared to the prevalent demand trends. During 1974-75, production of long staple cotton would be around 14 to 15 lakh bales, out of a total estimated crop of 62 to 63 lakh bales which represents an increase in production of 5 to 6 lakh bales over the preceding season. On the other hand, price of medium staple cotton has continued to be more firm in view of an imbalance between the demand and supply of middle and short staple cotton. The increased demand of short and middle staple cotton has been contributed by a doubling of controlled cloth obligation on the mills and the requirements of the export market.

While I would be happy if an increase in the demand for long staple cotton could improve returns to these cotton growers, their present ruling prices need not cause any serious alarm. Hon'ble Members are aware that the Agricultural Prices Commission, which goes into the economics of various agricultural commodities as well as their inter-se return on investment based on cost of production data, has recommended for 1974 a minimum support prices for Kapas of average quality of Punjab American 320-F variety at Rs. 195/- per quintal as compared to Rs. 170/- per quintal recommended in the preceding year. The prices of other varieties were to be fixed on the basis of normal differentials between 320-F and other varieties. On this basis, the support price of Sankar-4 and MCU-5 would

[Prof. D. P. Chattopadhyaya.]

work out to Rs. 298-304 per quintal, respectively. In view of the increase in the price of inputs, the Ministry of Agriculture and Irrigation have reviewed the recommendations of the Agricultural Prices Commission and have proposed a support price of Rs 324 per quintal for Sankar-4 and MCU-5.

The present prevailing prices of these varieties are still well above the support prices recommended by the Agricultural Prices Commission

However, in order to encourage purchase of long staple varieties by the Mills, restrictions on holding of stocks of these varieties are being lifted by the Textile Commissioner

As an additional measure of support, Government are keen that the Cotton Corporation of India should enter the market and make some purchases. While the volume of funds available with the Corporation is at present limited it has already purchased 1,700 bales of Sankar 4 in Gujarat, and is also making arrangements to purchase cotton in other States

We are keenly aware of the importance of the cultivation of long staple cotton and the useful contribution made by the growers in effecting significant import substitution on this commodity resulting in the conservation of sizeable foreign exchange. We would like to sustain suitable incentive to these growers. I assure the House that we are conscious of the interest of cotton growers and would like to strike a reasonable balance between the need to ensure fair return to growers with the importance of keeping cloth prices within the reach of the common men.

श्री मूल सचिव डागा : अध्यक्ष महोदय, सब से पहले तो मैं आप के प्रति आभार प्रकट करता हूँ, इस लिये कि आप ने 1 करोड़ 30 लाख कपास उत्पादकों की बात का सुना। लेकिन एक बात का मुझे भ्रफसोस है—अगर

कोई सोता हुआ इन्सान हो तो उसको जगाना मेरे लिये बहुत आसान है। लेकिन जामता हुआ इन्सान सोता ही, तो उसको जगाने के लिये आपकी मदद की जरूरत पड़ती है। मैं आपकी मदद माग रहा हूँ। मुझे यह ध्यान आकर्षण प्रस्ताव केवल वाणिज्य मंत्री से नहीं पूछना है मुझे श्री ए० पी० शिण्डे साहब, जो बड़े बड़े भाषण देते हैं, उनसे पूछना है। मुझे सुब्रह्मण्यम साहब, जो वित्त मंत्री हैं, टी० ए० पाई साहब, जो 103 मिलों के मालिक हैं—उनसे पूछना है।

अध्यक्ष महोदय : जो मिलता है, उसी से पूछ लीजिये।

श्री मूल सचिव डागा श्रीमन्, मुझे तो यह निवेदन करना है कि ये सब मिल कर जवाब दें। मैं वाणिज्य मंत्री जी से प्रार्थना करता हूँ कि दूसरों की आँखों से देखना अच्छा नहीं है, खुद की आँखें तभी खुल सकती हैं जब अपनी आँखों से देखें, लेकिन आप तो श्री शिण्डे साहब की आँखों से देख रहे हैं कृषि आयोग की आँखों से देख रहे हैं। आप श्री टी० ए० पाई साहब की बात का उत्तर दे रहे हैं, सुब्रह्मण्यम साहब की बात का उत्तर दे रहे हैं। हरियाणा पंजाब, राजस्थान, आन्ध्र प्रदेश, महाराष्ट्र गुजरात में एक करोड़ तीस लाख काश्तकारों ने महंगा बीज खरीद कर, बहुत ज्यादा महंगा बीज खरीद कर, और जहाँ एक हैकटेअर में 30 किलो नाइट्रोजन चाहिए, वह शिण्डे साहब ने सिर्फ़ माठे सात किलो दिया, सारा नाइट्रोजन उन्होंने काले बाजार में खरीदा। और जब उत्पादन होने लगा तो कीटाणु नाशक दवाइया खरीदने के लिये एक एकड़ में 35 रु० खर्च करना पड़ा, और सरकार 60 रु० सबसिडी लेकर आयी। काश्तकारों ने एक आंदोलन शुरू किया अकोला से काश्तकार पैदल चले और अपने हाथ से कपास लेकर स्टेशन पर आये और स्टेशन मास्टर से कहा कि कपास ले लीजिये और हमें रेल का टिकट दे दीजिये क्योंकि

उन्होंने कहा कि हमारे पास पैसा नहीं है। उन बेचारी को निराश हो कर स्टेशन में वापस भ्राना पडा।

जब काश्तकारी ने 900 करोड रु० का काटन पैदा कर दिया तो आप खुशी से कहने लगे, काटन कोरपोरेशन के नियरमैन, श्री रामानुजम कहने लगे, कि हम 10 करोड रु० लेकर आये है और आपका काटन खरीदेंगे। ऊट के मुह में जीरा। हम ने 900 करोड का कपास पैदा किया और आप 10 कराड रु० की पूजी लेकर आये। काश्तकार का विश्वास डबभगाने लगा। अम्य पाकिस्तान से 25 करोड रु० का काटन मगा रहे है दो लाख गार्डें मगा रहे है, और 40 से 45 परसेट इम्पोर्ट ड्यूटी कम करके पाकिस्तान से मार्च में काटन मगा रहे हैं, जब कि हमारा कपास घर में ही पडा रहेगा।

एन० टी० सी० की 103 मिलें चलती है माननीय पाई जी उनके मालिक है उनको 240 करोड का काटन चाहिए। वह क्यों नहीं उसे खरीदने? यहा आप मिद्धान्त की बात करते हैं कि काश्तकार को दौलत देना चाहते हैं, उसके अम का मूल्य स्थापित करना चाहते है घन का मूल्य घटाना चाहते है। तो क्यों नहीं आप हमारी काटन 103 मिलो को दिलाते।

क्या हो रहा है, आप को लाभ हो रहा है कि नहीं यह आपके भाकडे बताते है कि मिल वालो से कितना लाभ कमाया। जिसके पाप दौलत होती है उसकी सब मदद करते है, गरीबी की कोई नहीं करता। 1971-72 में मिलों की 11 करोड का लाभ हुआ, 1972-73 में 31 करोड का और 1973-74 में 65 करोड का लाभ हुआ। और फिर कहते है कि :

"It is good that the Textile Commission has brought to light the huge profits made by the mills. It

is evident from the above that the profits in 1973 74 have increased more than double as compared with the last year We want that he should publish the figures of gross profits because net profit is highly dressed due to appropriations Will he publish cost of production of these mills? Financial account like profit and loss account and the balance sheet is a misrepresentation including squandering of money"

अब आप ने जो उत्तर दिया है उसकी रोसनी में जरा यह भाकडे भी देखिए

year	VP	RM	GP	P/BT
1970-71	1173	576	69	29
1971-72	1327	721	63	14
1972-73	1461	705	102	49

तो यह आपके भाकडे कहा से आ गये जो कि आपने दिये? इसलिये आप हमारी बात सुन ले और बताये कि आप क्या करना चाहते है? आप कैटेगोरिकली बताये कि जो हमारी मांगे है उनको आप स्वीकार करने को तैयार है कि नहीं? हमारी मांगे है कि कम से कम कीमत निम्नलिखित काटन की इतनी होनी चाहिए

एम०सी०यू०-5	600 रु० प्रति क्विंटल
हाइब्रिड-4	600 रु० प्रति क्विंटल
बरलकी	1,000 रु० प्रति क्विंटल
सुजाता, सुविन	
आदि	1,000 रु० प्रति क्विंटल
1007, 1412	
शॉर्ट स्टेपिन	
काटन	300 रु० प्रति क्विंटल

क्या आप इसको स्वीकार करेये? क्या आप बहु कहने को तैयार है कि काटन कोरपोरेशन स,वे काश्तकारी से काटन खरीदेंगा?

[श्री मूल अन्व आवाज]

बायीयने से पहले जो काटन घाप पाकिस्तान और दूसरे देशों से इम्पोर्ट करते हैं यह एक प्रकार से काश्तकारों को बलि चढ़ा रहे हैं। और मैंने यह भी सुना है कि काश्तकारों को घाप बाँटस देंगे। उनका काश्तकार क्या करेगा? अगर देंगे तो कितने समय में घाप भुगतान करेंगे। काश्तकारों की आर्थिक स्थिति गिर रही है और वह टूट रहे हैं लेकिन फिर भी सरकार में विश्वास रख रहे हैं। इसलिये हम इन बातों का उत्तर चाहते हैं और जो मैंने प्रार्थना की है उसमें कहीं बावों का घाप बचाव दें।

एक बात और सरकार से जानना चाहता हूँ। घाप कब रहे हैं :

"There is a shortage of about 8 lakh tonnes of cotton. In any case, the Government to be wary in this respect and categorically assure the cotton growers that their interests will not be sacrificed at the altar of export effort and that no further cotton imports will be allowed."

अब घाप कहते हैं कि हमें शीर्ट स्टेपल नहीं मिल रहा है। तो यह किसका दोष था? यह दोष था ऐग््रीकल्चर डिपार्टमेंट का। वह काश्तकारों को कहते हैं कुछ और सरकार और सरकार के एक्सपोर्ट कहते हैं कि लॉग स्टेपिल काटन को भी घाप काम में ला सकते हैं। सारे लोग घापकी सेवा में भाये हुए हैं, माननीय रघुरमैया ने बात की है आन्ध्र के लोगों ने बात की है, एक्सपोर्ट्स ने बात की है। हम को भी बुला लीजिये और बहस कर लीजिये। क्यों उन मिल मालिकों को पैसा देते हैं? और हम को बुला कर घाप बात कीजिये। इसलिए मैं चाहूँगा कि मेरे सारे प्रश्नों का उत्तर देने का घाप कष्ट करें और जैसे घाप जूट के मामले में दूसरे लोगों को बुला कर निर्णय लेते हैं वैसे ही यहाँ पर करें।

एक बात मैं और कहना चाहता हूँ। घाप कहेंगे कि कपड़े का भाव बढ़ जायेगा, लेकिन मैं कहना चाहता हूँ कि हम यह नहीं चाहते और सारे काटन प्रोग्राम कहते हैं कि काटन के भाव पहले भी बढ़े हुए थे लेकिन कपड़े का भाव वहीं रहा और आज भी वहीं है।

इसलिए मैंने जो प्रश्न किये हैं, उनका घाप जवाब दें।

PROF. D. P. CHATTOPADHYAYA: Sir, he has raised many issues which are supposed to be his intender questions. I could not be very clear; anyhow, I will try to answer...

SHRIMATI T. LAKSHMIKANTH-AMMA (Khammam): He was very clear.

This is some confusion in your own department.

PROF. D. P. CHATTOPADHYAYA: By participating in the discussion, I think I will be able to clear the confusion.

Reference has been made to the cotton purchase from Pakistan. I must submit that the varieties of cotton that we have purchased from Pakistan are in short supply in the country and, therefore, the prices of textiles manufactured out of those varieties have gone up. By importing those varieties of cotton, that is, middle staple varieties, we will be doing a bit of marginal service to the textile consumers of that group.

The second point that I would like to submit is that the landed cost, not only the price but even including the landed cost of the Pakistan cottons, is less than the corresponding Indian varieties by Rs. 600 to Rs. 800 per candy. So, you will appreciate that we have not purchased from Pakistan

anything which we could possibly get inside our country or by giving a price which is unreasonable by any criterion.

Mention has been made about the Cotton Corporation's purchase policy. We have our policy, and that policy enjoins purchase directly from the primary market, i.e., from the growers. But, as the hon. Member himself has said and I have also said in my statement, the fund available with the Corporation is Rs. 10 crores. So, we cannot enter into the market in a big way. But it must also be remembered that the price level of the cotton is above the support price level prescribed by the Agricultural Prices Commission and then revised on the basis of the new calculations of the input cost. So, the question of the Cotton Corporation entering into the market in a big way just at this stage does not arise for two reasons; one, inadequacy of the funds; and secondly, the price levels are well above the A.P.C.—prescribed supporting price levels. So, we are in the market. We are thinking of entering into the market in a big way if some more funds are made available to the Corporation. In this respect, the Commerce Ministry is in touch with the Finance Ministry and the Agriculture Ministry, and we hope that a decision would be taken soon, so that the purchase programmes of the cotton Corporation could be extended to some other States also. But I must also submit that, so far as the price of the middle staple varieties is concerned, the price is good; because of the short supply of the crop, it is good. But in the long staple cotton, as I have already stated in my speech, in relation to the demand, the supply is much large, the five to six lakh bales of increased production....

SHRIMAT T. LAKSHMIKANTHAMMA: Has Government not encouraged the agriculturists to grow more? So, Government should take the responsibility for this.

SHRIMATI V. JEYALAKSHMI (Sivakasi): There is no stability in the price of cotton. Last year the same

Varalakshmi cotton has been purchased for Rs. 1000/- per quintal and this year there is nobody to purchase it even for Rs. 500/—.

MR. SPEAKER: There are very strong women at your back!

SHRI INDRAJIT GUPTA (Ahipore): In view of the International Women's Year, she should be gallant enough to yield to them!

SHRIMATI V. JEYALAKSHMI: Merely because it is international Women's year we are not speaking but we are speaking on behalf of the agriculturists.

MR. SPEAKER: I am suspending the rule because of the International Women's year; otherwise you are not entitled under the Rules.

PROF. D. P. CHATTOPADHYAYA: Sir, I take the point made out by the hon. Lady Members. This is true that Government intended the growers to go over to the area of production of the long-stable varieties, but in various units, particularly because of high profits, the growers have gone in a very big way and they have produced quantities much larger than the industry can possibly economically absorb.

SHRIMATI T. LAKSHMIKANTHAMMA: They grow more quantity in the same acreage. That seems to be a complaint of the hon. Minister.

MR. SPEAKER: I am addressing you also. You need not make five speeches for five Members. You should be concise in what you say. We settled that there will be five Members, the first one will have seven minutes and the others will have five minutes each, and thus we will be able to finish the Calling Attention subject in 45 minutes. But if you take so much time and the

[Mr. Speaker.]

gracious women at your back intervene every time there is no end to the debate.

PROF. D. P. CHATTOPADHYAYA:

Sir, I will try to be brief. I have said that there was this large production of the long-staple varieties. In our purchase programme we will see to it that these problems are adequately taken care of and all depends upon the final decision which we are expecting very soon. He made mention about the profitability of the cotton industry. I would like to submit that there are some cost-efficient units. They have made very good profits. But there are also some which have not really made profits over the last 4 or 5 years, they have gone sick and a substantial number is now lost and that does not speak very highly in regard to the high profitability of the industry as a whole. So, there may be some units which may be doing very well. There are also other units which are not doing that well. And I may say that the profit rate as a whole of the textile industry is less than the average profits of the different industries taken together?

So, Sir, what I think is, this complex picture of the industry will have to be taken into account and attention should not be focussed only on the high-efficient units.

Lastly, I would submit that the high price for M.C.U fibre Sujata which has been suggested by the hon. Member will not be borne out by the factual scrutiny or by analysis. So, we shall try to see that good price is given to this variety. The Cotton Corporation is ultimately accountable to Parliament and, as a Commercial Corporation, we cannot force this Corporation to purchase cotton at price which it will not be able to sell at to the industry and not even to the N.T.C.

MR. SPEAKER: Shri Satha. He is not there. Prof. Dandavate.

PROF. MADHU DANDAVATE (Rajapur). Mr. Speaker, Sir, I have tabled this Call Attention Notice only after an on-the-spot study of the region of Vidarba, Marathwada and Khandesh as well as cotton growing belts of Haryana and Punjab.

Only on the basis of that study, I would like to seek certain clarifications from the hon. Minister. And I hope those clarifications will be forthcoming.

Firstly, as far as Maharashtra State is concerned, though there is a scheme of monopoly procurement of cotton introduced in order to protect the small cotton cultivator, the manner in which the scheme is sought to be implemented shows that actually there is no protection available to the small cultivators. In other States, like Haryana and Punjab, there has been a persistent complaint of the agriculturists growing cotton that the National Textile Corporation is not coming forward with the adequate purchase of cotton at a remunerative price. These two aspects, both in those regions where monopoly procurement is there and where the Corporation is making the purchases—those lacuna in the purchase policy—will be completely eliminated.

At the very beginning, I would like to sound a warning and also seek clarifications from the hon. Minister that in the State of Maharashtra, the big cultivators are trying to take advantage of the existing situation and they are making a demand from Government that purchases of cotton should not be left to the tender mercy of a free competitive market. If that is done, the small cultivators will be completely destroyed. We would, therefore like to have a clearcut assurance from Government whether this scheme of monopoly procurement

as it has been introduced in Maharashtra has failed to a great extent because of very inadequate assistance from the Centre and from the Reserve Bank of India and also because of the number of malpractices and whether that particular policy will be continued so as to protect the small cultivators. The question of textile magnates has been brought in here. I do not want to repeat the figures of profit that have been given by the textile magnates. But, incidentally, I may make a mention that by indirect methods, the textile magnates have also been purchasing cotton from these very belts of Maharashtra. And, actually, they are offering a better price than whatever price is being offered by the Marketing Federation. Of course, there are a number of malpractices to which I would make a reference. May be, very often the plea is made to the cotton growers that it is better that a remunerative price is offered to the cotton. In that case, the price of cloth will go up. But the entire cost structure of textile industry indicates that there need not be any increase in the price of cloth as a result of the assurance given for offering a remunerative price to cotton growers. For instance, there are a number of methods by which the price of cloth can be further brought down. I hope the Minister will admit the fact that 3,000 varieties of cloth are produced by the textile industry and if the number of varieties is decreased and more stress is given in the production of coarse-cloth, probably, the needs of the common man will be subserved and, at the same time, the prices of cloth can also be brought down. On the other hand, better and remunerative prices can be offered to the cotton growers.

As regards the policy of the Reserve Bank of India, it has been a consistent complaint from the Government of Maharashtra and also

from the cotton growers that the Reserve Bank has insisted upon pursuing its rigid policy regarding the credit limits. Though the scheme is a progressive one, they have imposed a limitation of Rs. 20 crores credit as far as this scheme is concerned. And, as a result of that, even if the Government decides to eliminate those malpractices, it will not be able to make the experiment a success unless Rs. 125 crores of credit facilities are made available. And, therefore, the restriction that has been imposed by the Reserve Bank must be also eliminated.

There are certain difficulties and malpractices in the working of the monopoly procurement scheme of cotton in Maharashtra. I myself have gone to the cotton belts and I met a number of cotton growers—small as well as big—and I also met the representatives of the various credit societies and marketing federation and we found that there are a number of malpractices. Firstly, up till yesterday, 30 per cent of the price of the cotton purchased by the marketing federation in Maharashtra was paid in cash. There was a demand by the cotton growers that the cash component must be increased from 30 per cent to at least 60 per cent. Sir, the new Chief Minister of Maharashtra has made a welcome pronouncement that instead of 30 per cent cash, 60 per cent of the price will be given in cash and the rest will be adjusted with the credit facilities and loans. This is a welcome announcement by the new Chief Minister. But, if this new pronouncement is to be effectively implemented, it is necessary that additional central assistance and additional credit facilities should be made available and I hope that lacuna will be removed.

Again, the gradation of cotton is creating a lot of malpractice. While offering to the cotton growers, two categories in grades of cotton are

[Prof. Madhu Dandavate] assigned and it has been the experience of many cotton growers that as far as the officials of the marketing federation are concerned, they are indulging in lot of malpractices considerable bribe is taken to give a particular gradation to the cultivator and thereby a greater price is never offered. This malpractice should be completely eliminated. Then, Sir, as far as the small cultivators are concerned, in Vidharba and in Marathwada Regions, they have been demanding Rs 600 per quintal as remunerative price, because they have no facilities and they are actually selling away their cotton at the low price of Rs. 150 per quintal. To whom are they selling? Because they are not getting adequate cash, the small cultivators in Maharashtra are actually selling their cotton to the big cultivators. We are supposed to have a monopoly procurement scheme. But, the small cultivators are selling their cotton at Rs 150 per quintal to the big cultivators and what do the big cultivators do? He puts his cotton on a truck and in a clandestine way he crosses the border of Maharashtra by giving bribe to the police authorities. He goes to Adilabad side of Andhra Pradesh and on the Adilabad side of Andhra Pradesh, there is big trading company board which has been put up there. Until day before yesterday, the board carried the name of Vasant Trading Company. I do not know, after Vasant Naik has been replaced by Shankarrao Chavan, whether the name of the trading company is going to be converted to Shankar Trading Company. I hope that this will not happen. Cotton is sold to this Vasant Trading Company and they send it for ginning and those bales are sent to the textile magnates in Bombay. This is how, in a clandestine manner, the entire scheme of monopoly procurement is being completely sabotaged. Not only that. Even when the marketing federation purchases cotton from these big cul-

tivators, they never enquire from where they have secured the cotton. They actually by-pass the fact that these small cultivators have sold their cotton at Rs 150 per quintal to the big cultivators and it is only the big cultivators who claim that it is their cotton and they have sold it to the marketing federation. The scheme in Maharashtra is that when the marketing federation purchases cotton, always the assessment of the credit societies is made to the tune of 40 per cent of the production, and on the basis of that, adjustments are made, and therefore, the small cultivators always suffer. Therefore, this malpractice also has to be eliminated.

Then, there is another malpractice that is taking place. The hon. Commerce Minister must have come across this, that in Marathwada and Vidharba regions, repeatedly, cotton bales have been set on fire. This is happening because a number of officials of the Government and the marketing federation are purchasing a certain quantity of cotton. In the record, the quantity shown is of one magnitude and the actual purchase is something else. To hide the gap between the actual purchase, and the purchase recorded in the documents, very often, cotton bales are set on fire, so that there is no record left, as to how much cotton is there, how much is stocked etc and as a result of that, new malpractices are taking place. This also will have to be stopped.

13 00 hrs

Therefore, the clarifications that I would like to seek from the hon. Minister are; will the Government take precautions to see that there is a relaxation of Reserve Bank credit policy and more central assistance is made available? Secondly, will all the malpractices arising out of gradation of cotton, stocking them up and

clandestine crossing of cotton to Andhra Pradesh and Madhya Pradesh be stopped? Incidentally, I may tell the House that when I went to the Vidarbha region, I came to know from the cotton growers that some police officers told these cotton growers who were carrying on clandestine export "You tie us to a tree, let your car pass the boundary and when you enter Andhra Pradesh, we will shout 'These people had tied us to this tree; they assaulted us when we tried to stop them and now they have actually run away across the border to Andhra Pradesh.'" All these malpractices must be stopped.

Then remunerative prices should be offered. I would concretely ask when the following remunerative prices would be made available:

- MCU 5 Rs. 600 per quintal
- Hybrid 4 600 per quintal
- Varalakshmi Rs. 600 per quintal
- Sujata. Survin Giza
- and other varieties: Rs. 900 per quintal.

In this connection, the reply given by the hon. Minister to a question of Shri Daga's is incorrect. He said that only these categories had been purchased from Pakistan which were not available on our cotton growers. Whatever news has appeared in the *Economic Times Financial Express* and many other economic journals clearly indicates that even those varieties which are available indigenously have been purchased from Pakistan. He should check up his records and find out the gap between reality and the statement he made and see if it cannot be removed.

In conclusion, I would make a specific suggestion. If the monopoly procurement scheme in States like Maharashtra is to be a success, it should be extended to the national level so that no lacuna will be left

and there will be an incentive to corruption and clandestine export to adjoining States will stop. If the experiment is to be effectively implemented, this should be done. I would like a categorical reply to all these points.

PROF. D. P. CHATTOPADHYAYA: The hon. member has said that we have imported precisely that variety of cotton from Pakistan which is available here. In fact, what I said was this. Those varieties are available here, but they are in short supply. While we need around 68 lakh bales of medium staple cotton for our internal consumption and export, our production is only of the order of 60 lakh bales. Therefore, there is a shortage of nearly 8-9 lakh bales. That accounts for the high price of textiles for poor middle class people and export variety. It has also to be borne in mind that the cotton price is reflected in the price of the finished goods to the extent of 50-55 per cent. So if the price suggested by the hon. member, a very leading socialist, is given, he should also be squarely and fairly aware of the consequence of that being reflected 50-55 per cent in the price of cloth of a variety which is precisely meant for the poor people.

PROF. MADHU DANDAVATE: I had concretely suggested reduction of the number of varieties from 3,000, by which the cost of production can be brought down.

PROF. D. P. CHATTOPADHYAYA: I have noted this point for reply. Already we have a very big number, more than 1000 varieties. We are already effecting a 10 per cent reduction. We are thinking of more. A steady reduction in the varieties is what is necessary. Otherwise, it creates dislocation, both in the production sector and also in the handloom sector. The reduction of varieties idea is very good; we are committed to it. But we must also be

[Prof. D. P. Chattopadhyaya.]

carefully aware of the consequences. For example, for the handloom sector, finer counts of yarn are necessary. The poor handloom weavers depend very much on these varieties of yarn. If the price of long staple cotton is pushed up, it will be reflected in the yarn price and it will be difficult for the weavers to take it at that high price. All these consequences should be borne in mind. Even then as an idea, it is good and we have already accepted it and from last October, this year, we had decided to bring about a ten per cent reduction in the total number of varieties of cloth, 1100 in all.

SHRI PILOO MODY (Godhra): You must take this as the good intentions of a socialist.

PROF. D. P. CHATTOPADHYAYA: It is a good intention and I share it. The hon. Member referred to monopoly purchase operations of the Maharashtra State Cotton Corporation. The Reserve Bank of India, I find, had given them Rs. 20 crores while the Cotton Corporation of India which has to purchase cotton all over the country had been given only Rs. 10 crores. I concede that the credit accommodation neither to the Cotton Corporation of India nor to the Maharashtra Corporation is adequate. But at the same time it is to be viewed in the context of the overall credit squeeze policy. After all it is a trade sector. I do appreciate the feasibility of ensuring fair price to the cotton growers but it is also to be remembered that if the price level is pushed up there are other consequences. Next in importance to food, is textiles and if cotton price is pushed up 55 per cent of it is reflected in the cloth price—it will not be appreciated by people as a whole. We should strike a balance between a fair and reasonable price which could be given in these circumstances to the grower and also the end-product consumers. We have every sympathy and I

appreciate the point made that a fair price should be ensured to cotton growers, and credit accommodation, if possible, should be increased. We are already in touch with the Finance Ministry as I have said but it must be appreciated that we must not add to the inflationary pressure and this should be borne in mind by all of us. He referred to the bond scheme. It is in order to minimise the impact of the increased money supply in the market that we have thought of the bond scheme, not to pay the entire amount outright in cash, but partly in cash and partly in bonds, spread over several months. This scheme is being considered and a decision will be taken as early as possible.

He referred to the question of malpractices. If any specific case is brought to our notice, we will get in touch with the concerned State Governments you will appreciate that allegations of smuggling operations are primarily to be looked into by the State Governments. But I am not shifting responsibility between the State and the Centre. If some specific case of malpractice in respect of gradation or degradation or smuggling is brought up, I shall look into it.

SHRI ANNASAHEB GOTKHUNDE (Sangli): He has not replied to the extension of the monopoly cotton procurement to all over India.

PROF. D. P. CHATTOPADHYAYA: The figures quoted by me, the credit accommodation referred to by me is enough to show that under the present difficult circumstances, it will not be possible.

SHRI NATWARLAL PATEL (Mehsana): You know that Gujarat grows one-third of the total cotton production in India. Our farmers used to grow short staple cotton five years ago. They had switched over to long staple, especially on the advice of the Government of India. At that time the Government of India had assured them that if need arose price

support would be given by the Government. On this assurance our farmers switched over to long staple cotton. I think the hon. Minister has forgotten the objective of the Cotton Corporation of India. According to me, the Cotton Corporation was established only to protect the interests of the growers. At present it is doing nothing at all to protect the interests of the growers.

The hon. Minister has stated in his statement that some directive has been given to the Cotton Corporation to enter the market and start purchase of cotton. In Gujarat I think they have purchased about 1700 bales. According to me it is nothing. This is not price support. Last year our long staple cotton was sold at Rs. 6,000 per kandy, at present it is selling at Rs. 3,000. There is such a big fall in the price of cotton.

I may draw the attention of the hon. Minister to the parity between the prices of long staple and short staple cotton. When our long staple cotton Shankar-4 was selling at Rs. 6,000, the short staple was selling at Rs. 3,200 or Rs. 3,400. There was a gap of Rs. 1,500 to Rs. 2,000 per kandy but at present, our long staple is selling at about Rs. 3,400 and the short staple at about Rs. 2,800. The gap is only about Rs. 600. I would like to point out to the hon. Minister that the growers of long staple cotton have to make use of costlier inputs like fertilisers. They have to give seven or eight times the water to their fields. There is no canal water in Gujarat and so the farmers have to depend upon very costly irrigation.

The hon. Minister in his statement has stated that they are trying to protect the interests of the common people, to see that they get cheap cloth. This is not a bad thing, but nothing should be done at the cost of the farmers.

He has mentioned in his statement that the growers of long staple cotton are helping the Government of India so far as foreign exchange is concerned. As a matter of fact, after they started growing long staple cotton, Government is not importing it from foreign countries, and thereby they are saving huge foreign exchange.

The growers of long staple cotton go to Mandis with their carts and, as there are no buyers, they have to go back to their villages. If the situation continues like this, next time they will all switch over to short staple. They will not bother to grow long staple. If that happens, the Ministry would be responsible for that by not giving price support.

So far as Andhra is concerned, they are growing a very fine variety MCU 5. I understand this variety sold last year at Rs. 500 per quintal, but today there is nobody to buy it even at Rs. 350.

So, are you going to give any guarantee to these farmers so far as price is concerned or not? I understand that some guidelines have been given to the Cotton Corporation. I do not exactly know what they are, but it seems that they have been asked to pay only one-third of the price in cash. Two-third of the amount is to be given in the form of a bond at 6 per cent interest. You understand what is the rate of interest today. No farmer can afford to sell his cotton on this condition to the CCI. It is a cruel joke on our farmers.

The objective of the establishment of the CCI was to safeguard the interests of the growers. I know that interests conflict with each other. You want to have cheap production of cloth in this country by making cheap cotton available to the mills. But don't bother about 200 people of the country. You bother about lakhs and crores of growers of long staple cotton.

[Shri Natwarlal Patel]

I have said all these things only to draw the attention of the Minister to take action in the matter before the situation goes from bad to worse. He should take the necessary steps to see that the cotton growers in Gujarat, Andhra and other States are given remunerative prices and saved from this calamity.

PROF. D. P. CHATTOPADHYAYA: I share many of the ideas and sentiments expressed by the hon. member. I agree that it is our basic responsibility to ensure a fair price to the growers. There are no two opinions about it. But there should be a rational balance. The interests of the cotton growers have to be looked after no doubt, but not in isolation but in relation to the consumers' interests.

SHRI NATWARLAL PATEL: Before you arrive at a decision about the cost of production of cotton, kindly consult the representatives of the growers.

PROF. D. P. CHATTOPADHYAYA: There are lakhs of growers and we have to do what we can for them, but we have also to look after the interests of the crores of consumers and strike a balance somewhere in between. I hope this is an idea which will be shared by hon. members. We do not like to do anything at the expense of the poor growers. I have already placed on record our appreciation of the services rendered by the growers of long staple cottons thereby enabling us to save our foreign exchange which we had to spend previously on imports. But the production is 50 per cent more than what the country can take. We need 8 lakh bales but because of the high price incentive, a large number of growers have rushed into that field in the last one year and production has jumped to 12 lakh bales a year. This has been possible because of the

hard work and the use of high-yielding seeds. But we should bear in mind that medium staple cotton is in short supply. It is actually 8 lakh bales less than what we need. The production now is only 50 lakh bales. We need this for domestic consumption as well as for exports purposes. So, we would like the growers to go in a big way into this area also. I can assure my hon. friend that I am as much concerned as he is about ensuring a reasonable price to cotton growers, particularly long staple variety because they are in difficulties now. The policy of the Cotton Corporation will be to help them to the best of its ability and subject to credit constraints imposed by the Government in the larger interests of the country.

SHRI INDRAJIT GUPTA: How much long staple cotton are you importing now?

PROF. D. P. CHATTOPADHYAYA: So far as medium and short staple cotton are concerned, there is a shortage of 8 to 9 lakh bales and we have imported only 2 lakh bales. So far as long staple cotton is concerned, we are in surplus. So, where is the question of importing?

The Cotton Corporation is a commercial organisation. It has to bear in mind its commercial objectives. We cannot force the Cotton Corporation to purchase cotton at a price at which it will not be able to sell it to the textile mills. But, within the constraints we will try to do whatever we can to protect the interests of the growers.

SHRI NATWARLAL PATEL: What about the minimum price to the grower?

PROF. D. P. CHATTOPADHYAYA: We are considering it.

MR. SPEAKER: Shri D. D. Desai— I find he is not here. Shri Sathe. He will get only half the time because he came late.

SHRI VASANT SATHE (Akola): Thanks to the new Railway Minister the trains are becoming more punctual. My train came only 2½ hours late. I am coming straight from the railway station.

There are a few things on which first I would like to disabuse the mind of the hon. Minister. First I will come to the story of long staple cotton production being more than what is required. Just two or three years back we used to import about 10 lakh bales of long staple cotton, required by our mills in the name of promoting exports. The entire Rs. 100 crores worth of cotton, which was long staple, was imported from America, Egypt and Sudan. All these imports were done at the pressure of the mills, in the name of export. I would like to know from the hon. Minister, firstly, how much fine and super-fine cloth produced from the imported long staple cotton did we ever export and how much did we earn from the export of fine and superfine cloth? Because, the long staple cotton is required only for the production of fine and superfine cloth, unless of course you say that long staple cotton can be used for the production of medium varieties also, in which case your next argument that there is a shortage of medium staple in the country, because long staple cotton production is more, and that is why we are now required to import medium staple will fall flat. Therefore, since you imported long staple cotton all these years in the name of exports, please tell us how much of fine and superfine cloth produced from the long staple cotton did we export and earn foreign exchange.

SHRI INDRAJIT GUPTA: Also, how much did we smuggle out?

SHRI VASANT SATHE: I do not know about smuggling. My information is that more than 80 per cent of our exports are of short and medium staple varieties of cloth, which are

produced from indigenous cotton. And yet, although the indigenous cotton is an export earner, we do not give a remunerative price to the producer of medium staple variety and we always tell him "you cannot get a remunerative price, because you are not producing long staple cotton, and what we need in this country is long staple cotton, of which we are importing 10 lakh bales". Now, being encouraged by you and the Agriculture Ministry, the farmers in States like Andhra, Gujarat and Haryana took to production of long staple cotton.

You will recall, Sir, in 1972 in my very first speech here, I had made a mention of the calamity of the cotton growers who were given the lowest price for having produced more cotton. They produced a record crop in 1971-72 and they were given a bonus of the lowest prices ever! That stock was carried on for more than two years by the mill-owners and they reaped huge profits for two years. This is an accepted fact. I have again and again been reminding the Government about our policy towards our growers. You say that we must look to the consumer.

PROF. D. P. CHATTOPADHYAYA: And also growers.

SHRI VASANT SATHE: This very simplistic economic talk, which is imported from western countries, is used here also. I will tell you how. In western countries the grower is hardly 10 per cent of the population and, therefore, they say, "We must look to the consumer who is the majority, 90 per cent, namely, the working class and others." Therefore, a balance has to be struck. Look to the greater consumer. In this country the greater consumer is the agriculturist himself and the class living on agriculture. 80 per cent of the people live on agriculture here. They are your real consumers. When you talk of the consumer, whom are you talking about? The consumers are also the

[Shri Vasant Sathe]

farmers. If you do not give a remunerative price to the farmers, how can you ensure a fair wage to landless labour? You do not give purchasing power to the farmer and the agriculturist class. Is this your idea of trying to improve the standard of life of the majority of the people?

Then, I have never been able to understand this talk of anti-inflationary measure. This talk of credit squeeze and anti-inflationary measure to deprive the agriculturist class of even a remunerative price, I feel, is a suicidal talk, because if you do not give a remunerative price, the cotton producers will not produce cotton as they did in the case of jute. How much you have suffered in the case of jute, my friend himself will tell. Jute production fell down by 30 per cent in one year. How much we lost in foreign exchange and what trouble we are having in the mills—all that is known. Tomorrow, if the cotton producers stop producing cotton or reduce cotton production, think of the vicious circle and the result that it will have both on production of cloth and on employment. Therefore, this whole idea of anti-inflationary measure is wrong. Shortage of cotton production for want of remunerative price will again increase cloth prices.

MR. SPEAKER: Please do not think that it is a debate going on; it is a call-attention motion.

SHRI VASANT SATHE: He said that we must strike a balance, that is why I am asking this.

MR. SPEAKER: Ask your question.

SHRI VASANT SATHE: All that we are asking is: you want to benefit the consumer but what do you mean thereby? The price of cloth must not go up; all right. We sat with their own technical people and experts in the field and said that you peg the prices at what they are

today or wherever you want to for superfine and all varieties, then go back to find out the cotton price and whatever the price of cotton is arrived at, see that that is paid to the farmer. It is the middlemen who are exploiting the farmers today. They exploit us at both ends. They exploit the consumer by increasing the price of cloth. The middlemen are the agents of the mill-owners. Now that the Cotton Corporation, I am told, is going into the field, I would like to know from the hon. Minister what is the price that they are going to pay to the farmers. Be specific about it. Take, for example, MCO5. The experts themselves have opined that the price should be between Rs. 425 to Rs. 450. Are you going to pay the price or not? This is the first thing that we must know.

Secondly, although you have just now said that you are not going to import cotton, I would like to have a more positive statement from you. What about some cotton deal with Sudan? For diplomatic reasons, are you going to import some long-staple cotton from Sudan? That is another thing that I want to know.

If the hon. Minister clarifies these things, we will be very thankful to him.

PROF. D. P. CHATTOPADHYAYA: Sir, the hon. Member, Shri Vasant Sathe, has spoken on the floor of the House and to me outside. I know his views. He is quite well-informed. As you will find, even experts like, Prof. Madhu Dandavate and Shri Vasant Sathe differ. One suggested that for MCO5, we should give Rs. 600 per quintal and the other has said that the price should be Rs. 425 to Rs. 450 per quintal.

SHRI VASANT SATHE: That is what your experts have said. I accept it.

PROF. D. P. CHATTOPADHYAYA: What I say is that even informed people differ in the matter of assessment. Other things have also been taken into view.

SHRI VASANT SATHE: Please don't try to divide us.

PROF. D. P. CHATTOPADHYAYA: No division; just comparison. There is no question of setting one against the other. You are very good friends, I know.

As I have already said, we have had discussions with distinguished Members from different States, like, Shri Vasant Sathe, Shri Raghu Ramaiah, who took a lot of interest in this matter and others. I have looked into the matter. Andhra Pradesh is a jute growing State.

THE MINISTER OF WORKS AND HOUSING AND PARLIAMENTARY AFFAIRS (SHRI K RAGHU RAMAIAH): Cotton

PROF. D. P. CHATTOPADHYAYA: It is a cotton growing State. It is also a jute growing State. Don't forget about that.

As I have already said, we are in the market but not in a big way because of credit restrictions. We are already in touch with the Finance Ministry.

About protecting consumers' interests, I have already said it. Mr. Sathe has said some other things. I do not like to enter into economic controversy particularly in the presence of Dr. V. K. R. V. Rao sitting here. I stick to what I have said. But, at the same time, I submit, that reasonable price will be given to the growers. For that, we are already in touch with the Finance Ministry and a decision will be taken soon. I can only repeat what I said before that we will strike a balance between the growers' interests and consumers' interests.

13.33 hrs.

The Lok Sabha adjourned for Lunch till thirty minutes past Fourteen of the Clock.

The Lok Sabha reassembled after Lunch at thirty-four minutes past Fourteen of the Clock.

[MR. DEPUTY-SPEAKER in the Chair].

SHRI SAMAR GUHA (Contd.) Sir, I want to raise an urgent matter of public importance. The news that has been flashed about lifting of the embargo on American arms supply to Pakistan is a very serious matter causing concern to all of us. I hope the Government will give an opportunity to this House to express its views.

MR. DEPUTY-SPEAKER: That is enough.

SHRI SAMAR GUHA: The United States has developed a knack.

MR. DEPUTY-SPEAKER: You are making a speech.

SHRI SAMAR GUHA: One minute, Sir. The United States has developed a knack in international diplomacy to do wrong things at the ripe moment for right things. The United States has mentioned about supply of Russian arms to India. It conveniently forgets about the continued supply of arms to Pakistan by China and France. The U.S.A. has also mentioned about the imaginary fears of India and Afghanistan against Pakistan, but it forgets that the arms supplied to Pakistan would be used to crush the people of Pakhooistan, Baluchistan and Sind. In this connection I want to draw your attention to our anxiety about Shri Khan Abdul Ghaffar Khan.

We are worried about the genocide committed on the people of Paktoonsistan and Baluchistan. With one word I will conclude. The Government of India should take steps in appropriate international forms to raise the issue of the safety and security of Khan

[Shri Samar Guba.]

Abdul Ghaffar Khan and of the people of Paktoostan. By strengthening the arms might of India or Pakistan you will not be able to ensure peace and progress of the sub-continent. It is only by having a Confederation of India, Pakistan and Bangladesh that you will be able to bring about peace, progress and prosperity in the whole sub-continent.

श्री अटल बिहारी वाजपेयी (राजस्थान):
उपाध्यक्ष महोदय, 3 4 और 5 मार्च को भारतीय जन सभ का अखिल भारतीय अधिवेशन हो रहा है। उस के लिए हम ने फुटबाल स्टेडियम की इजाजत मांगी थी। पहले वह इजाजत दे दी गई थी और 15 फरवरी को हमें एक पत्र मिला कि आप फुटबाल स्टेडियम का उपयोग कर सकते हैं, मगर 22 तारीख को चिट्ठी मिली कि यह परमीशन वापस ले ली गई है। कहा जाता है कि लैफ्टीनेंट गवर्नर के आदेश ने ऐसा किया गया है। फुटबाल स्टेडियम में प्रधान मंत्री जन सभा कर चुकी है और इण्डियन फुटबल मर्चेंट्स एसोसियेशन का अधिवेशन हो चुका है। वहाँ कुछ दिन पहले जैन सम्मेलन भी हुआ था। तो कोई कारण दिखाई नहीं देता कि भारतीय जन सभ को उस से वंचित रखा जाए। गृह मंत्री लैफ्टीनेंट गवर्नर को कहे कि वे अपना आदेश वापस ले, नहीं तो हम इस का विरोध करेंगे और अपना अधिवेशन वहाँ करेंगे।

श्री मधु लिसये (बांग्ला): इन पर बिकूल बर्बादी होनी चाहिए। अटल जी ने जा कहा है उस का मैं समर्थन करता हूँ। बहुत मतमाने दृष्टि से काम किया जा रहा है। सरकार से बयान दिलाइये... (बुद्धबुद्ध)

श्री जनेश्वर मिश्र (झारखण्ड):

पहले इन को परमिट किया गया था और इन्होंने पोस्टर्स भी छपवा लिये हैं। इसलिए इन को वहाँ पर अधिवेशन करने की इजाजत मिलनी चाहिए।

MR. DEPUTY-SPEAKER: Shri Shankar Dayal Singh not here. Who will speak from his party Shri Ram Singh Bhai Verma.

14.38 hrs

MOTION OF THANKS ON THE PRESIDENT'S ADDRESS—Contd.

श्री राम सिंह भाई (हैदराबाद): उपाध्यक्ष महोदय मैंने राष्ट्रपति के भाषण पर जो धन्यवाद का प्रस्ताव रखा है उस का समर्थन करने के लिए खड़ा हुआ हूँ।

श्रीमन् मैंने राष्ट्रपति का भाषण बड़े ध्यान से सुना है। अपने भाषण में राष्ट्रपति जी ने जो कुछ कहा है वह वस्तु-स्थिति है। आज देश में जो स्थिति है उस का मही चित्रण राष्ट्रपति ने बड़ी नम्रता के साथ दोनों सदनों के सामने रखा है। अपने भाषण में राष्ट्रपति जी ने देश के विकास और जनता के कल्याण के लिए माननीय सदस्यों में एक हो कर कार्य करने की अपील की है। माननीय सदस्य इस का पालन कितना करेंगे यह तो भागे देखने की बात है लेकिन श्रीमन् मैं यह निवेदन करना चाहता हूँ कि पिछले वर्ष भी राष्ट्रपति महोदय ने दोनों सदनों के सामने बड़ी वेदना के साथ अपील की थी कि देश की हलात बहुत खराब है। इसलिए आन्दोलन, तोड़फोड़, हिंसा, हड़ताल आदि का रस्ता छोड़ उत्पादन बढ़ाने तथा देश के विकास काम में सहयोग करना चाहिये। पिछले वर्ष ऐसा लगता था कि दरअसल में हमारी स्थिति क्या होगी और अगले साल क्या होगी। 1972 से लगातार चीजे के भाव बढ़ते आ रहे थे। भाव ही नहीं बढ़ रहे थे। लेकिन चीजे भी गायब रही, अर्थात् रही।