

*Statement**Confirmation of Stenographers in Delhi Administration*

(a) to (d). The Delhi Administration has informed that there are no such posts in the scale of Rs. 210-425 under them which came into existence in 1952. However, the first post of Stenographer in this scale was created in 1957 and the position in respect of this post and posts created in subsequent years is as given below :—

Sl. No.	Name and No. of the post	Year of its creation	Whether permanent or temporary	Action proposed for their conversion into permanent posts
1.	Stenographer (One)	1957	Permanent	—
2.	Stenographer (One)	1958	do.	—
3.	Stenographer (One)	1961-62	do.	—
4.	Stenography Instructors (Four)	1962	Temporary	Necessary action is in process.
5.	Stenography Instructors (Three)	1964 } 1964 }	Temporary	do.
6.	Stenographer (One)			
7.	Stenographer (Ten)	1965	(6) Permanent (4) Temporary	Necessary action is in process.
8.	Stenography Instructors (Four)	1965	Temporary	do.
9.	Stenography Instructors (Three)	1966	Temporary	do.
10.	Stenography Instructors (One)	1967	Temporary	do.
11.	Stenography Instructors (Five)	1968	Temporary	do.

12.03 hrs.

**CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE**

**REPORTED DECISION FOR BLOCK CLOSURE OF TEXTILE MILLS**

SHRI R. K. BIRLA (Jhunjhunu) : Sir, I call the attention of the Minister of Foreign Trade to the following matter of urgent public importance and I request that he may make a statement thereon :—

“The reported decision of the textile industry for block closure of textile mills due to acute shortage of cotton.”

THE MINISTER OF FOREIGN TRADE

(SHRI L. N. MISHRA) : Mr. Speaker, Sir. Well before the current cotton year began on 1. 9. 1970, an appraisal was made of the carry-over stocks, expected commercial crop during the current year on the one hand and the requirements of the mills, amber charkha and other users and exports on the other, and the reasonable level of carry-over stocks at the end of the year. The cotton crop was then taken at 62 lakh bales as against 56.3 lakh bales last year. Keeping this and other relevant factors such as Legitimate interest of the grower in view, an appropriate programme for import of cotton was finalised. It was our expectation that the supplies of domestic cotton available during the year, would prove

[Shri L. N. Mishra]

sufficient to meet the requirements.

However, over the recent weeks the cotton supply position has fast deteriorated. There have been reports of damage to the crop in Maharashtra, Madhya Pradesh and certain other areas. Consequently the size of the crop is currently estimated to be of the order of 57 lakh bales. Even now it is rather difficult to forecast what ultimately the size of the crop would be. Another phenomenon in the cotton situation is that arrivals of certain varieties of cotton into the market are smaller and also tardy. The result is that there has been pressure on the available supplies of cotton. A number of mills have made 'rush' purchases also. Reports of abnormal purchases on the part of the cotton traders are also there. All this has resulted in abnormally high prices of cotton.

If this price trend persists, the expectations of increase in exports or even maintaining the normal level might be belied. The apprehension is that exports during the current financial year may fall short of the last year's level. Weaker mills may find it difficult to withstand the impact of the present high prices. Consumers of cloth and yarn will be hard hit.

The cotton situation needs to be corrected so that these undesirable consequences do not occur. The Government have been giving careful consideration to the formulation of measures necessary to assure adequate supplies of cotton at reasonable prices to mills, so that the objectives of maintaining and increasing exports, adequate supplies of yarn and cloth to the consumer and maintaining the employment are achieved.

While pursuing these objectives the interest of the cotton growers would certainly receive our utmost consideration and nothing would be done which might affect adversely their legitimate claim.

The long term solution of the problem is to increase the per hectre yield of cotton. In the Fourth Plan provision has been made for development of cotton production. I am arranging for a review of this programme on an

urgent basis and if necessary efforts would be made to make liberal allotment of funds to help the cotton growers.

In the overall context of the economy particularly maintenance and increase of exports of cotton textiles and yarn, adequate supply of cotton will have to be ensured at reasonable prices. For finding satisfactory solutions to the problem, a cooperative effort involving all interests concerned with cotton is indeed necessary.

I have, therefore called a meeting of the Cotton Textile Consultative Board on 7th December. All interests are represented on the Board. Whatever measures are considered necessary to alleviate the problem, to regulate marketing, to discipline the prices of cotton and to conserve its use, would certainly be taken.

Meanwhile the industry is reported to have given consideration to the problems it is facing and I am informed that certain conclusions have been reached. I understand the industry has contemplated a block closure for a period of 15 days.

As I have stated earlier, we are endeavouring to ensure adequate supplies of cotton for all mills. At the same time the industry and trade must also observe discipline in the matter of cotton purchases. I see no reason why there should be any need for block closure of the mills.

I can assure the House that Government are seized of the problem and will soon evolve a set of measures to meet the situation.

SHRI R. K. BIRLA: Before elaborating the point about the serious crisis which has developed in the country on account of the shortage of cotton, with your permission, I would like to call the Minister the hon. magician Minister, because he has just now said that he is going to solve the problem of supply of cotton and see that the cotton mills do not close down. How is he going to solve the cotton problem when cotton is not in existence in this country? It is only a magician who could produce things from

nowhere and not the Minister. Now I come to the question. As we all know, cotton is next to food in utility and therefore in priority. Unfortunately, government have not given the same importance and emphasis to the development of this industry as they have done to food. That is the reason why today this serious crisis has developed.

This industry, as we all know, not only clothes the 50 crores of people of this country but also earns valuable foreign exchange worth about Rs. 1.25 crores besides giving direct employment to 90 lakhs of people and indirect employment to quite a few million people.

Cotton production, as the Minister himself has admitted, has been stagnant for the last five or six years. It is going to be about 57 lakh bales this year as against our requirement of 68 lakh bales. How is this shortage going to be made up? It is to be done by importing cotton from America and Egypt, thereby using valuable foreign exchange of which we are so short or, I should say, are bankrupt. Therefore, we have to be self-sufficient on this ground. How could we do it?

In the Fourth Five Year Plan the Government has just announced a small figure of Rs. 3.90 crores for the development of cotton. The Minister, as we have all heard, has himself said just now that this is the only way in which we can solve our problems. The working group of the Planning Commission had recommended Rs. 8.90 crores. Hon. Ministers, Sarvashri Jagjiwan Ram and Bali Ram Bhagat—I am glad that he is here now—had themselves maintained in the month of April 1970 in the meeting of their Executive Committee that the Government would and another Rs. 8.4 crores for the development of cotton in the Fourth Five Year Plan.

MR. SPEAKER: I am waiting for your question.

SHRI R. K. BIRLA: My question is why, as against the recommendation of the Planning Commission and the announcement by the hon. Ministers—the total figure was Rs. 16.8 crores—the Government of India has provided a small figure of Rs. 3.90 crores for

the development of cotton in this five-year Plan.

Then, as he himself has said, cotton has gone into the hands of traders and the traders do not allow the cotton to come out because they want more and higher prices. Why has cotton gone to the traders instead of going to the actual spinners and, if it has gone to the traders, what steps is the Government of India going to take in this direction and to see that such a thing does not happen in future?

SHRI L. N. MISHRA: There is no question of a magician here, An administrator can meet the problem. The real problem today is the non-availability of cotton within the country. Our production has fallen short of our expectations. Its legitimate impact should have been felt towards the end of the year but, as the hon. Member himself pointed out, traders and some of the mills have made rush purchases in panic. Some of the mills have got stock for more than two or three months' consumption. Some of the traders have purchased cotton for speculative purposes and for four or five months' consumption. These are the reasons why there is this man-made crisis in cotton today.

The whole thing can be avoided by regulation. We are thinking of this regulation. We will not allow any mill to keep in stock cotton for more than a certain period's consumption. I do not want to say that at this stage but I am going to evolve a period of time for which a mill will be entitled or authorised to keep stock. A similar thing will be done about the traders, Traders cannot speculate in cotton and hold the country to ransom. If these steps are taken, I do not see any reason why any mill should be closed down.

I have asked the National Textile Corporation, which has about 20 mills under it, not to keep more than 15 days' stock at a time. If this kind of discipline is observed by the other mills, this difficulty can be avoided. But some of the speculators, specially the traders and the mills, collected huge stock in panic and in the beginning of the season; so, there has been a scarcity. But this problem

[Shri L. N. Mishra]

can be met and, I am sure, we will be able to sort it out.

SHRI R. K. BIRLA: My second question is.....(Interruption).

MR. SPEAKER: No, no. You should know the procedure. No second question is allowed. If you had not made such a big speech, it would have been easier for the minister to search into your question.

SHRI R. K. BIRLA: Are you satisfied with the reply? He has not replied about not providing the amount recommended by the Planning Commission for the development of cotton.

SHRI L. N. MISHRA: Perhaps, Mr. Birla did not care to hear the main reply. That is covered in that. The real solution of the problem lies in increasing the yield of cotton per acre. I am thinking of taking up the matter with the Ministry of Finance and the Planning Commission to increase the amount of assistance to the poor cotton growers.

SHRIMATI SUCHETA KRIPALANI (Gonda): The Minister, in his reply, has not thrown any light about the shortfall due to failure of imports. I can understand about the shortfall due to the damage cotton harvest has suffered. Therefore, our local production is less. He has given us the total figure of shortfall.

Has the import policy also failed? The Government announced that they were going to make a special quota of import of 5 lakh bales. Immediately after the announcement, the price of cotton went up. Because of the failure of the import policy of the Government, instead of the price going down the price went up. Within two days of the announcement, the cotton prices went up by Rs. 100 per candy. Instead of importing cotton to the tune of 3.75 lakh bales from America, during this period, the only import that has been effected is to the tune of 62,000 bales. I learn that this is due to the fact that there was a dispute going on between the

Cotton Corporation and the importers. What was the dispute? The dispute was over the amount of commission that the Cotton Corporation should get. This is a newly organised body. It could have waited to earn the commission. But because the Cotton Corporation wanted to earn commission this year itself, our trade was hampered and import of Cotton delayed.

Today, the shortfall is like this. The cotton production is less by  $4\frac{1}{2}$  lakh bales and there is a shortfall of import of  $1\frac{1}{2}$  lakh bales. So, within these three months, October, November and December, there is a shortfall of 6 lakh bales. May I know what has the Government done to expedite the import of cotton, because this problem can only be solved by immediately importing cotton.

Secondly, if there is any mal-distribution as the Minister stated then that has to be set right. He has suggested certain measures. I do not know whether they will succeed in remedying the trouble. He has also suggested that the permanent solution of the problem is to increase the production of cotton. The textile industry is one of our most important industries. That industry needs better treatment from this Government and much greater efforts should have been put forward to increase the production of cotton, during the Fourth Plan.

As the hon. Member, Shri R.K. Birla asked, very rightly, how much money are you going to invest in improving cotton production? The amount provided in the Plan is very inadequate, only Rs. 3.5 crores. At least Rs. 10 crores provision should have been made in the Plan to increase cotton production.

May I know the immediate programme of the Government in regard to the import of cotton and also the immediate programme of the Government regarding re-adjusting the mal-distribution that is there? The price of cotton has gone up, in these three months, by at least 25 per cent, and if you take the full year, it has gone up by 60 per cent. The impact of this increase in price of cotton will be on the poor consumer who will have to pay a higher price for cloth. With the high infla-

tion that is already there, we do not want this further rise in the price of cloth. Therefore, we would like to know the immediate arrangements that the Government are making to import cotton. What the Government is being to import staple fibres because our handlooms are suffering for lack of art silk yarn.

**SHRI L. N. MISHRA :** We have released not 62,000 bales of cotton from imports so far, but 4.52 lakhs bales of cotton. There is no dispute between the Cotton Corporation and the importers. To-day all the importers are the accredited agents of the Corporation. They import on behalf of the Cotton Corporation for the different mills. Therefore, there is no question of having a dispute.

**SHRIMATI SUCHETA KRIPALANI :** When was the dispute settled? It was delayed due to that.

**SHRI L. N. MISHRA :** The Cotton Corporation entered import market on 15th September. As a matter of fact the season for purchase of cotton begins on 1st of September. For 15 days some of the importers made purchases both in UAR and Sudan. We have regularised them. The Cotton Corporation has not taken over stocks of these importers before the Cotton Corporation came into being.

About the commission also there is no dispute. The commission is 1 per cent and it has been distributed as one-fourth to the Corporation for establishment expenses, one-fourth goes to the mills and one-half goes to the agents. The information of the hon. Member that there is any dispute between the importers and the Cotton Corporation and, therefore, this trouble has come is not correct. The trouble has come, as I said earlier, because of the rush purchases made by some of the mills and the speculative activities of the traders.

Some of the hon. Members suggested seizure of the stocks. If it is required, we will do it and it cannot be dismissed if necessary, we will have to adopt drastic measures. We cannot rule it out. But the speculators' activities have to be curbed.

The main reason for rise in prices which is

about 40% of the price that was prevailing last year in the same period is mainly due to rush purchases on the part of the mills. Secondly, it is due to huge stocks being collected by the traders who are dealing in cotton. We are going to regulate their activities by some Government orders.

We are having a meeting on the 7th of December where traders' representatives will be there, the mill-owners will be there, the Indian Cotton Federation people will be there, Government will be there, Cotton Corporation people will be there and we hope that we will be able to evolve some common formula through which we will be able to meet the situation.

I don't think that any crisis is coming or there will be any rise in prices of the cloth to the consumers.

We must appreciate one point. This is the beginning of the season. To-day's arrival has been 2.34 lakhs bales of imported cotton and in domestic cotton-467 lakhs bales against 3.35 lakhs bales last year. This is more than last year. Still there is a crisis and the mills have not consumed their stock. The main reason is the speculative activities of the traders in cotton.

**SHRI S. A. DANGE (Bombay Central South) :** Why do banks give credit to the speculators?

**MR. SPEAKER :** Papers to be laid on the Table.

**DR. RAM SUBHAG SINGH (Buxar) :** You know, Sir, Mr. Morarji Desai wrote to you a letter regarding the statement made by Mr. Shashi Bhushanji and he has written that in the last two months he has not been here in Delhi and he has all along been in Bombay. The statement made on the floor of the House is absolutely wrong and uncalled for. Therefore, the Member should be asked to apologise.

श्री अटल बिहारी वाजपेयी (बलरामपुर) :  
अध्यक्ष महोदय, श्री मोरारजी देसाई ने जो पत्र आपको लिखा है, उसके बारे में आप

[श्री अटल बिहारी वाजपेयी]

सदन को अवगत कर दीजिये। इस तरह के आरोप सदन में लाये जायें, यह ठीक नहीं है।

MR. SPEAKER: The hon. Member made certain allegations against.....

SHRI DHIRESWAR KALITA *rose*.

MR. SPEAKER: Mr. Kalita, kindly sit down.

SHRI DHIRESWAR KALITA (Gauhati): Are you going to give a ruling?

MR. SPEAKER: No, no. I am not going to give a ruling. What do you want? I am going to make observations. Are you satisfied.

The hon member made certain allegations in which he mentioned the name of Mr. Morarji Desai. I cannot give any ruling or cannot comment on it unless the Member who made the allegations comes out with his own comments. This will be conveyed to him and whatever be his comments, it will come before the House. (*Interruptions*)

SHRI P. G. SEN (Purnea): What about my privilege motion?

MR. SPEAKER: No, please. I have not held it in order.

श्री शिव चन्द्र झा (मधुबनी): अध्यक्ष महोदय, मैंने आल इण्डिया रेडियो के खिलाफ एक प्रिविलेज मोशन दिया है।

MR. SPEAKER: I have not got the information from the Minister as yet. Have you got the copy from the Minister? I will think over it now.

श्री शिव चन्द्र झा: वह तो आया है। लेकिन आप उस पर अपना फैसला दीजिये।

श्री मृत्युंजय प्रसाद (महाराजगंज): अध्यक्ष महोदय, मैंने आपको पत्र लिखा है...

अध्यक्ष महोदय: मैंने उसको देखा है। इस

हाउस में वे बातें आ चुकी हैं। आपने वही बातें पत्र में लिखी हैं। उस पत्र में कोई नई बात नहीं है।

DR. RAM SUBHAG SINGH: Something has been published which we did not carefully follow. The statement of Choudhary Randhir Singh that four members of all the parties... (*Interruptions*) and this is absolutely incorrect.

MR. SPEAKER: I have asked the paper to-day.

12.28 hrs.

RE: QUESTION OF PRIVILEGE

SHRI S. K. SAMBANDHAN (Tiruttani): Sir, I want this to be referred to the Privileges Committee only. There is no need to get the information from any quarter. Even the State Minister of Industries thinks that he is the only jurist in the world.

MR. SPEAKER: I want to hear the other side also. I am going to meet the leaders this evening and we will consider everything.

SHRI S. K. SAMBANDHAN: Do you want any further proof than this?

SOME HON. MEMBERS: Shame, shame.

SHRI S. K. SAMBANDHAN: I have got a report from the doctor... (*Interruptions*) multiple injuries... (*Interruptions*).

MR. SPEAKER: This is not the way of putting it. Kindly sit down.

SHRI S. K. SAMBANDHAN: I want this to be referred to the Privileges Committee only. I do not want the Police officers to be summoned to the bar of the House.

MR. SPEAKER: Let this House be clear about one thing.

SHRI M. L. SONDHI *rose*.

MR. SPEAKER: Mr. Sondhi, I am on my legs.