

Mr. Deputy-Speaker: The question is:

"That clause 1, as amended, stand part of the Bill."

The motion was adopted.

Clause 1, as amended, was added to the Bill.

Shri Bibudhendra Mishra: I beg to move:

Page 1, line 1,—

for "Thirteenth" substitute "Fourteenth".

Mr. Deputy-Speaker: The question is:

Page 1, line 1,—

for "Thirteenth" substitute "Fourteenth".

The motion was adopted.

Mr. Deputy-Speaker: The question is:

"That the Enacting Formula, as amended, stand part of the Bill".

The motion was adopted.

The Enacting Formula, as amended, was added to the Bill.

Mr. Deputy-Speaker: The question is:

"That the Title stand part of the Bill".

The motion was adopted.

The Title was added to the Bill.

Shri Bibudhendra Mishra: I beg to move:

"That the Bill, as amended, be passed".

Mr. Deputy-Speaker: The question is:

"That the Bill, as amended, be passed."

The motion was adopted.

16.32 hrs.

TEXTILES COMMITTEE BILL

Mr. Deputy-Speaker: The House will now take up the Textiles Committee Bill to be moved by Shri Manubhai Shah.

The Minister of Law (Shri A. K. Sen): We have sent for him. We did not expect that the other two Bills will collapse in such a short time. In the mean time, with your permission, I will move it.

Mr. Deputy-Speaker: Yes, he might move it.

Shri Vasudevan Nair (Ambalapuruzha): Why not take it up tomorrow?

Shri A. K. Sen: It is non-controversial. We can take it up and finish it today itself.

I beg to move:

"That the Bill to provide for the establishment of a Committee for ensuring the quality of textiles and textile machinery and for matters connected therewith be taken into consideration."

The Cotton Textiles Fund Ordinance, 1944 provides for the establishment of a cotton textiles fund and the constitution of a Committee to administer the Fund. This Fund was originally created from the proceeds of the levy of a duty of customs at 3 per cent on the ex-mill prices of cloth and yarn exported, and later on, the Central Government used to make contributions to the Fund. The Cotton Textiles Fund Committee has been doing useful work and the inspection scheme of the Committee has found increasing popularity and authenticity in trade circles, both in India and abroad.

In recent years, however, conditions in the textiles industry have

[Shri A. K. Sen]

changed. Indian cloth is facing ever-increasing competition in the international markets from other exporting countries like Japan, China, etc. The Millowners' Association and the manufacturers of textile machinery in India have been stressing the necessity of an independent Inspectorate for indigenous textile machinery. In order to meet their needs, the Tariff Commission recommended in 1960 that adequate arrangements should be made for an impartial investigation of all complaints from the consuming industries about the quality of indigenous products and for keeping a continuous watch over the progress of the textile machinery as a whole. Under the existing Ordinance, the powers of the Committee have not been clearly defined and they are also restricted in scope.

It is, therefore, considered necessary that in the interests of textile industry the Committee should be reconstituted and its functions should be enlarged. It is accordingly proposed to establish a Committee which shall be a body corporate and it should be vested with enlarged statutory powers. Under the existing Ordinance, the functions of the Committee were restricted to cloth and yarn only. It is proposed to empower the Committee to ensure the quality of all textiles, whether made wholly or partly of cotton, wool, silk, artificial silk or fibre. It is further considered that the work of inspection of indigenous textile machinery and stores should also be entrusted to the Committee. The functions of the Committee should generally be to ensure standard qualities of textiles for internal marketing and export purposes and the manufacture and use of standard type of textile machinery.

The present Bill seeks to achieve the above objects and to replace the existing Cotton Textiles Fund Ordinance, 1944.

It will be appreciated that export trade today depends not merely on the cheapness of the products. There is greater emphasis today on certainty of supply and superiority in quality in every market.

Even Japan which used to bank largely before the war on marketing its goods solely on the basis of cheaper prices charged has now found that it is much more important that the goods exported conform to the standard quality and that in the export markets where they market their goods people come to know of products by their quality and identify them so that the habit of purchase becomes firmly established. We have found that ever since Japan entered the field of textile markets all the world over where Indian textile products had a fairly good sale, we had been gradually pushed out largely because of the rigorous quality control that the Japanese have imposed not only on their textile fabrics but on all their exports. It is, therefore, now a rule in every country that before goods are allowed to be exported there is a check on quality so that their goods do not suffer in the outside market from bad reputation which unfortunately did occur in so many cases particularly after the war when unscrupulous manufacturers had sent goods out in markets where Indian goods more or less had a monopoly upto the war and it was found later on that the buyers were faced with sub-standard quality or quality not according to specifications.

We found on examination that many of the necessary powers which we require for the purpose of establishing a regular quality control were wanting in the existing Ordinance under which this Fund was working. We have, therefore, prepared this Bill setting up a statutory committee with enlarged powers. This particular Bill is concerned with textile goods and I

am sure we will follow the same policy in respect of other goods. Presently we are concerned with textile goods and to see that they conform to an invariable standard in quality. That is the purpose of this Bill, I, therefore, commend this motion for the acceptance of the House.

Mr. Deputy-Speaker: Motion moved:

"That the Bill to provide for the establishment of a Committee for ensuring the quality of textiles and textile machinery and for matters connected therewith, be taken into consideration."

Shri Himatsingka (Godda): Mr. Deputy-Speaker, Sir, I welcome this Bill. As has been explained by the hon. Mover, it is absolutely necessary that the goods that we export to other countries are properly inspected and goods of quality or goods as mentioned in the order or invoice are supplied. That is to say, it should be seen that what is being supplied is upto the standard that is intended to be sent. As a matter of fact, our goods have been ousted from many countries because goods of quality or as ordered had not been sent. There has been a lot of improvement from what the position was before and now there are much fewer complaints than before. If proper inspection is carried out, I have no doubt that the quality will improve and our goods will be able to stand competition in foreign countries. Therefore it is absolutely necessary that some body should be created whose function it will be to give attention to the quality of goods and to see that sub-standard goods are not sent to foreign countries or are not marketed even here.

I find that this Bill is also intended to apply to textile machinery. That is welcome because after all our textile machinery is now being exported and it has made very great

headway. As a matter of fact, complete textile mills can be supplied by India to anyone who wants them. Of course, the delivery time is a little more because the internal demand has very much increased. Complete mill machinery can be manufactured and is being manufactured in the country and if attention be given to the quality of machinery, that will also improve the position.

As regards one or two clauses, I feel that the discretion of the court is intended to be fettered. I feel that that should not be so. In clause 8, sub-clause (2), it provides that the Standing Committees shall consist exclusively of members of the Committee. I feel, the Standing Committees should also be made a little more elastic so that a person who may be of use or of help to the Standing Committee may be co-opted or taken on the Committee and he will be in a position to help the Committee in the object that it has.

Then there is an *ad hoc* committee provided in sub-clause 3 where a provision of outsiders has been made. But I feel that with regard to the Standing Committee also the same position should be made.

Similarly, I feel that in clause 17, the magistrate's discretion is intended to be restricted. I do not think that there should be any definite direction in the law itself as to what punishment the magistrate should inflict. As a matter of fact, what happens is, in a case like this, when there is a specific provision like that, the court finds that the offence is not very serious but it is some technical offence, they will be inclined to let go the accused rather than inflict the punishment which is being made obligatory. Therefore, I feel that that provision need not be made so drastic.

[Shri Himaksingka]

Then, I find, in clause 17, reference is made to Sea Customs Act, 1878. I think, the 1878 Act is no longer in vogue and it has been replaced by another Act in 1962. Therefore, the reference to the Sea Customs Act, 1878 needs to be replaced by the new Act wherever it exists.

Then, in clause 18, where an offence by companies etc. is mentioned, it is provided that 'director', in relation to a firm, means a partner in the firm. I feel that when it is an offence by the firm, a firm in itself means all the partners. The firm is not a legal entity as such. Therefore, anybody who is interested in a firm is a partner and will be liable to punishment if the firm has committed some offence which comes within the definition of the offences made punishable by this Bill.

Similarly, I feel that the sub-clause (b) of clause 2 may be deleted. It is unnecessary.

As I said in the beginning, this Bill will certainly improve the competitive position of our goods that are being exported after they are subjected to a certain kind of regular inspection as regards quality etc. It is very necessary that proper arrangements should be made to check the quality of goods that are intended to be exported.

With these remarks, I support the Bill.

Shri D. C. Sharma (Gurdaspur): I once read a play which was written by an Indian dramatist, a play in English. The title of that play was very good. It was called 'The Sleeper Awakened.' I feel when I look at this Bill that this Bill can have that title very properly, namely 'The Sleeper Awakened.' For, our Government have been deaf to all those complaints

which have been made regarding the ever-increasing deterioration in the quality of the cloth that we have been supplying. Our Government have also been blind to the various weaknesses and defects which have crept into the textile industry. We have been taking everything for granted, and we have been thinking that everything is rosy in our garden. But what has happened is this that we are now having a great deal of competition with so many countries of the world, especially with Japan. Now, Japan has swamped the market, not only the market which is to be found in the far eastern countries of Asia but also in the middle eastern countries of Asia. It is also invading now some of the countries of Europe and America. Japan is going ahead, so far as the textile manufactures are concerned, and she is displacing us.

I knew that the hon. Minister of International Trade has sometimes drawn our attention to it, and he has also said that some time he will be able to find out ways and means to overcome this disability which our textiles are suffering from in the markets of the world.

Therefore, I think that this Bill is a step in the right direction. But I want to ask one thing. How can we recover the lost markets? Perhaps, it may be said that we have not lost many markets. But, as you know, the *per capita* consumption of cloth is increasing all over the world. I feel that this is happening in India as indeed in all parts of the world. So, the exports of our cloth, in terms of the increased consumption of cloth all along the line, should have increased. But so far as I know, they have not increased; perhaps they are at a standstill, or perhaps they are much worse than before. Therefore, this measure, though belated, may be able to stop the rot which has crept into the textile industry of our country. I hope it will fulfil the objects which are set forth for it.

It is thought that when the textile committee would be established, it would be a kind of cure-all for all the evils from which our textile industry is suffering and from which all our textile machinery is suffering. But will it be a cure-all? Will it be able to stop that kind of deterioration in quality and the diminution of our markets, from which we have been suffering all these days? I do not think so, because I find that this committee will be more or less a committee dominated by officials. Our officials are very good persons; I have nothing to say against them. But I think so far as trade is concerned, so far as merchandise is concerned, we require a sense of adventure, a sense of imagination, some kind of risk-taking. I think our officials' mind is so constituted that it cannot think of those risks which entrepreneurs take.

Dr. M. S. Aney (Nagpur): You have a Minister like that.

Shri D. C. Sharma: The Minister is in a different category. I am talking of the officials; the Minister is not an official.

Now, what account has the Textile Commissioner given of his job all these years?

The Minister of International Trade (Shri Manubhai Shah): If the hon. Member sees clause 3.....

Shri D. C. Sharma: I have seen that.

Shri Manubhai Shah:he will find that the number of officials is limited to only 2.

Shri D. C. Sharma: I know the nomination will be in your hands.

Shri Manubhai Shah: They will be from the trade.

Shri D. C. Sharma: I know the pressure that the officials exercise on our Ministries and departments. Therefore, even though some non-officials may be nominated, they will all be those persons whom the officials approve. Hence, this Committee will consist of officials' and semi-officials' nominees.

I want to ask: what has the Textile Commissioner been doing all these

years to our country? It is a very big name, a very big office; he is a very big functionary. He has not been able to give a very good account of himself all these years. But he is going to be an *ex-officio* member of this body; he is going to be the Vice-Chairman. Perhaps the Chairman will be a person who will not be able to devote much time to this work. He will be a person who will be nominated and who will have other things to do. So the whole burden will fall on the Textile Commissioner. So far as I know, the Textile Commissioner is just a cog in the official machinery. He has to look up to so many persons before he gives orders, that the improvements that the Hon. Minister intends will not fructify.

Then there will be a Joint Secretary of the Government of India to be appointed by the Central Government. Then 'such other members as the Central Government may think fit'. I do not know who those persons will be. Of course, it is said that they will be persons who are interested in the textile industry, who are also interested in the manufacture of textile machinery.

So, what I mean to say is that this Committee will be a Committee consisting of officials, of those persons who are nominated by officials and some representatives of big business. Therefore, you can understand what kind of committee we will have to promote for our foreign trade in textiles.

What are the functions of the Committee? If you look at the textile map of the world, one of the great things being done all over the world is that every country is specialising in designs. A lot of research in designs is going on. Even a country like the Soviet Union has so many cells which are trying to design new kinds of things so that they can cater for the needs of the consuming public. Designing is one of the big things

[Shri D. C. Sharma]

being done in the textile industry today. What will this Committee do? 'Scientific, technological and economic research'—all vague words, all general terms. It has not been said that this Committee will have also something to do with research in designs.

I was reading the other day a book on the Soviet Union. There it was given how they are trying to have new designs so that the inhabitants of that country do not suffer from any kind of inferiority complex in the matter of clothes and other things. They have so many cells for having these things, and sometimes it so happens that the designers are not able to catch up with the needs of the consuming public. I think it should have been laid down in this Bill that they will try to have a separate department dealing with designs, which would know what kinds of designs are liked by people in the Far East, by people in the Middle East, by people in Europe and America, because we sometimes send textiles to these countries also. All these things are to be there, but it is only said in this Bill that it will undertake, assist and encourage scientific, technological and economic research. Economic research may mean research for lowering the cost of production.

Shri Manubhai Shah: It includes designs also.

Shri D. C. Sharma: You can have your say afterwards. I know you can talk very glibly. I also can talk very glibly, but you can have your say after I have finished.

The omission of this thing from the functions of the Committee, I think, invalidates the whole work of this committee. I believe in what you call laboratory work testing etc. and I know that these things are going to be there, but the most important thing which will concern the consumer does not find a place where the functions of this committee are concerned.

Clause 6 reads:

"For the purpose of enabling the Committee to discharge its functions under this Act, the Central Government may after due appropriation made by Parliament by law in this behalf, pay to the Committee in each financial year such sums of money as that Government considers necessary by way of grant, loan or otherwise."

I welcome the provision. I think we have to find the money for this kind of work, but I would ask the hon. Minister one question. In every progressive country in the world, every mill has a laboratory of its own. I do not know how many in our country have laboratories of their own. Some may have. Research is thought to be one of the great things in which industries invest in progressive countries. Here, our Government will give money. Why do you not make it compulsory for these mill owners to set apart a part of their earnings for research work? I think this should become compulsory for them, and they should be made to foot this bill partly if not wholly. It is not enough that they only sell these things, but they should also try to have this kind of research done at their own expense. The Government should not take upon itself the whole onus of this research. I think Government should become a partner with the persons who are running the textile industry.

Shri Himatsingka: That is exactly what is mentioned here.

Shri D. C. Sharma: You have spoken already, but you will not let me speak.

Shri Himatsingka: I wanted to draw the attention of the hon. Member to the fact that this is expressly provided for in sub-clause 2(a).

Shri D. C. Sharma: I have also read it, and I also know English, but it is not specifically mentioned there. Of

course, big business understands it in one way, and a small man like me understands it in another way.

Mr. Deputy-Speaker: Does the hon. Member require more time

Shri D. C. Sharma: Yes.

Mr. Deputy-Speaker: Then he can continue tomorrow.

BUSINESS ADVISORY COMMITTEE
SEVENTEENTH REPORT

Shri Rane (Buldana): I beg to present the Seventeenth Report of the Business Advisory Committee.

17 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Wednesday, the 14th August, 1963/Sravana 23, 1885 (Saka).
