

[Dr. P. S. Deshmukh]

more than one State. Their membership is 6,79,538. Of this about 1,21,448 is from areas outside the State of registration. With the amendment of the Act the number of these types of societies will increase, particularly because a large part of the marketing of agricultural produce takes place on inter-State basis. As the hon. Member knows, we have just passed an Act with the intention of encouraging inter-State co-operative marketing and that will also be assisted by this Bill.

Mr. Deputy-Speaker: The question is:

"That the Bill further to amend the Multi-Unit Co-operative Societies Act, 1942, as passed by Rajya Sabha, be taken into consideration."

The motion was adopted.

Clauses 1 and 2, the Enacting Formula and the Title were added to the Bill.

Dr. P. S. Deshmukh: I beg to move: "That the Bill be passed."

Mr. Deputy-Speaker: Motion moved: "That the Bill be passed."

Shri S. C. Samanta: The hon. Minister could not give me the real answer which I wanted.

Mr. Deputy-Speaker: If that answer has not been given at that time, this at least is not the stage for getting that answer.

Shri S. C. Samanta: I welcomed this Bill when it has been brought at this hour and I whole-heartedly supported it. I would request the hon. Minister to see that the co-operative societies, as envisaged, should not increase in number. They should see that the work that was being done by State Governments on State basis should be transferred to these multi-purpose societies. Now for example, transport of gram from Punjab is done through State Governments.

Why should not the Government of Punjab and the Governments of other

States come forward to transact this business through multi-purpose co-operative societies that are in existence and whose members are said to be more than lakhs? I only want to direct the attention of the hon. Minister in this direction, so that these multi-purpose societies will grow and work efficiently.

Dr. P. S. Deshmukh: Sir, it actually falls outside the purpose of this Bill, but I will certainly bear in mind the observation which my hon. friend has made.

Mr. Deputy-Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

INDIAN LAC CESS (AMENDMENT)
BILL

The Minister of Agriculture Dr. P. S. Deshmukh: Sir, I beg to move:

"That the Bill further to amend the Indian Lac Cess Act, 1930, as passed by Rajya Sabha, be taken into consideration."

Sir, under the Indian Lac Cess Act there were certain provisions with regard to the representation on the Lac Cess Committee. It was the wish of this House as well as of the Rajya Sabha that there should be enlarged representation of growers, and also there should be nominees of the legislatures on a good many of the committees. It was with this end in view that we examined the composition of all the commodity committees and tried to stream-line them providing these two Houses representation on those committees wherever it did not exist previously.

So far as this Bill is concerned, we had, for the purpose of remodelling the representation, proposed the substitution of clause 3 in place of section 4 of the principal Act. Here we have introduced certain changes by which we have given representation to both the Houses—two from Lok

Sabha and one from Rajya Sabha—on this body. Then we have suggested four members representing the shellac manufacturing industry to be nominated by the Central Government. Originally we were giving three representations to the mechanically run industries all of whom belonged to foreigners. Instead of that we have now substituted a membership of four representatives so that we need not confine them only to the factories but also could give representation adequately to the smaller manufacturers of shellac.

Then, we have retained some of the older provisions of representation like the Chairman of the governing body who was nominated by the Government. Under sub-section (ii) of section 4 we have added the Chairman of the Advisory Board and instead of three members representing the shellac manufacturing industry, one member representing lac brokers and so on, whom we have retained, we have substituted four members, as I have pointed out, for representation of all kinds of small and big industries in the country.

We have also retained sub-section (iii) and sub-section (iv) of section 4 of the old Act and, so far as the growers' representatives are concerned, we have added three more. We had originally six members representing the cultivators of lac to be nominated by the Central Government: one for West Bengal, one for Uttar Pradesh, one for Madhya Pradesh, one for Assam and two for Bihar. We have substituted these six with nine members as follows: one for Assam, three for Bihar, two for Madhya Pradesh, one for Orissa, one for West Bengal and one for Vindhya Pradesh.

Shri D. C. Sharma (Hoshiarpur):
What about Punjab?

Dr. P. S. Deshmukh: Punjab does not produce much lac; hardly any. I think it must be a very small quantity. Bihar is the chief State which produces shellac and so they are given more representation.

Then we have made another provision. Instead of two members, of whom at least one shall represent the lac consuming industry in India, to be nominated by the Central Government, we have provided for four persons to be nominated by the Central Government, of whom one shall be a scientist, one shall represent the cultivators of lac in States other than those referred to already,—if Punjab does grow or grows more lac in future there is provision for putting on a representative by this clause— one shall represent the Ministry of Commerce and Industry and one shall represent the Ministry of Finance.

So, essentially, this Bill has been brought forward with the intention of giving representation to the Parliament, as well as larger representation to the growers.

Incidentally, the part B and C States, under most of these enactments, had been, excluded. They did not therefore, have any representation. We have taken this opportunity to eliminate this difference and provide representation for these States also.

Mr. Deputy-Speaker: Motion moved:

“That the Bill further to amend the Indian Lac Cess Act, 1930, as passed by Rajya Sabha, be taken into consideration.”

Shri Tushar Chatterjea (Serampore): **Mr. Deputy-Speaker,** Sir, I, no doubt, welcome this Bill in so far as it has made some improvement over the original Act. But, to my mind, the Bill falls far short of the necessity, for the simple reason that some two years back the Bihar Government appointed an Enquiry Committee to enquire into the condition of the shellac industry and that committee made an exhaustive report in which they have commented about this committee and have suggested that some improvement should be made. I find this Bill, although it has made some improvement, has failed to take note of the very valuable comments that the Bihar Shellac Enquiry Committee had made. I do not know whether the hon. Minister

[Shri Tushar Chatterjea]

carefully read that report or not, but, as far as I feel and as far as I know, this amending Bill is nothing but the result of the recognition of that Committee's report.

Dr. P. S. Deshmukh: That is right.

Shri Tushar Chatterjea: If that is so, why was the Committee's report not taken into consideration with due seriousness. If the Government had done so, I am sure the Government would have done much more than what they have done in this Bill.

The Bihar Shellac Enquiry Committee definitely suggested that in the Cess Committee there should be larger representation of the indigenous manufacturers of shellac. That is a very definite recommendation made by the Bihar Shellac Enquiry Committee. Why have they recommended so? The main reason is this. The problem and the crisis that the shellac industry is facing today has to be understood properly and the Bihar Shellac Enquiry Committee has given a very correct picture of the exact problem obtaining in the shellac industry. The export of shellac is gradually decreasing, whereas the export of seedlac is increasing. That means, all the manufacturers who entirely depend on the manufacture of shellac are suffering very much for want of proper orders. All such manufacturers who depend on the export of shellac suffer, while those who have other avenues do not suffer.

In the shellac industry there are two types of manufacturers. In Manbhumi district, out of 257 units of production, as many as 200 units are owned by small manufacturers who have no mechanised method of production, whereas only about 50 units are owned by producers who produce the commodity with the help of mechanised processes. These big manufacturers also produce seedlac. They do not run their industry only for the purpose of shellac. They produce seedlac also. While the export of shellac is gradually decreasing,

the export of seedlac is increasing. So, the big manufacturers do not have to suffer at all. They can earn their profit quite well, and the decreasing export of shellac does not at all affect their units. The 200 small manufacturers who can be well called as cottage industrialists only produce shellac and they do not have any arrangement for the production of seedlac. These are the facts.

If the Minister had read the Bihar Shellac Enquiry Committee's report thoroughly, he would have found that the Enquiry Committee has very definitely said that unless this problem of small manufacturers is taken into consideration and unless proper remedies are evolved, there is no way how we can improve the industry. The Enquiry Committee has definitely said that as long as this Cess Committee is dominated mainly by the big manufacturers and their representatives, the big manufacturers would not take into consideration the interests of the small producers. It is because the small producers' interest has been neglected, there is no improvement in this industry at all.

[SHRI RAGHAVACHARI in the Chair]

4-53 P.M.

For these reasons, I have suggested some amendments to the Bill. One of my amendments suggests that out of four representatives of the manufacturers of shellac, at least two must be representatives of the indigenous manufacturers. In the original Act, a specific mention is made of the fact that one representative of the indigenous manufacturers should be included. I do not understand why that specific provision has been removed from this Bill now. It means that the Government is free to nominate only the big manufacturers' representatives. Thus, as the small manufacturers go unrepresented, this Bill does not serve the purpose which it intends to serve.

I have also suggested that some labour representatives should also be taken in. It is a very important aspect, for, the problem of the shellac industry is not only the problem of the manufacturers but of the labourers also. If you look into the condition of the shellac industry in Manbhumi district, you will find that a very large proportion of the regular workers are really unemployed. As far as I have gathered, about 75 per cent. of the workers who work in the shellac factories are either unemployed or are partly employed. 'Partly employed' means that they get work for not more than seven or ten days in a month. That is the position. The vast problem of unemployment is found in the Manbhumi district where the only dependable industry is the shellac industry. It is not only a question of the unemployment of shellac workers but also a question of the small manufacturers closing down their units. The problem cannot be tackled if only the point of view of the big manufacturers is considered. Definite attempts should be made to improve the condition of workers of this industry by considering the point of view of the small manufacturers alongside the problem of the labourers.

There is another very important point, and that should also be understood by the Minister. The Bihar Shellac Enquiry Committee Report has very clearly revealed the horrible conditions of work which the workers have to face in this industry. 90 per cent. of the workers who have to work through the process of melting the lac get their hands and feet crippled and deformed after two or three years' work. This is due to the terrible heat that emanates during the melting process. I went to Purulia and I personally saw a large number of workers who showed their hands to me. They were almost deformed and with deformed hands, they somehow or other pull on with the work. Though with the deformed hands and feet, they can, somehow or other, continue to work, once

they are discharged, they are completely unfit to take up any other work.

The decreasing export of shellac results in the closing down of the shellac units. That means unemployment among the workers who depend on the shellac industry. Their unemployment is such that it is not possible for them to take up any other profession for they are completely unfit with the deformed hands and feet. So, they will have to remain unemployed throughout their lives. Unless they are given some special type of job in which they can fit in, they have to remain unemployed. Therefore, the problem of the workers of the shellac industry involves urgent measures for relief, by way of fresh and suitable employment for those who have been crippled in the course of their work.

As far as I remember, the Bihar Shellac Enquiry Committee has definitely stated that out of the cess, some amount should be earmarked by which the labour welfare measures can be undertaken. I do not understand why the Ministry, although they have brought forward this Bill as a result of the comments made by the Bihar Shellac Enquiry Committee, have failed to give any consideration to the very serious problems that have been pointed out by the Enquiry Committee. Some provision has to be made to the effect that a part of the cess amount should be spent for the welfare of the injured workers also.

For the reasons stated earlier, I feel that this Bill does not touch the problem of lac industry at all. I do not understand why, after the Enquiry Committee has brought forward a report and when that report has been before the public for two long years, and especially when that report has made very clear criticism and suggestions in respect of the improvement of this industry, this sort of token charity, as it were, has been shown in this Bill and why all the major problems have been evaded.

[Shri Tushar Chatterjea]

It is quite good that the committee has been reconstituted. Members of Parliament have been included and a larger representation is given to the lac growers. At the same time, you must give special representation to small manufacturers of shellac and also to labour. Otherwise, that very serious problem of the labourers will remain completely unattended to and their horrible condition will continue. If you entirely depend upon the big manufacturers, they do not bother about the unemployment of the labourers and about the decrease in the shellac export, because their profits are secured by the export of seed lac, which is increasing by leaps and bounds. Representation to the small manufacturers and labour should be given, so that some labour welfare arrangement can be made out of the cess fund.

5 P.M.

In this connection, I would draw the attention of the Ministry to the more basic problems of the lac industry. India meets 90 per cent. of the world demand of shellac. Out of that, I remember that 70 per cent. of the export is to America. But, the peculiarity is that though we are the bulk suppliers of shellac to the whole world, we cannot control the industry and have our own independent policy. We have got to be dictated by what the American market says. In America, they say they will not take shellac, but they will only take seedlac, which is used as a raw material for producing shellac. They find it cheaper to purchase seedlac and produce shellac out of it and therefore, they are decreasing the demand for shellac and increasing the demand for seedlac. They are trying to use our country as a supplier of raw material and it is this attitude of the overseas market that has created a crisis in the shellac industry. Our export of shellac is gradually decreasing, resulting in terrible unemployment of the labourers and in the clos-

ing down of factories by small manufacturers. The profit-making policy of the big concerns is not affected, because they have got arrangements to produce both shellac and seedlac. They are closing down the shellac units and increasing the seedlac producing units, so that their profits remain unchanged.

If we are reconstituting this committee, it should not be simply to see that there is a committee to administer the cess fund. It should be a committee that can look into the improvement of the industry as a whole, that can suggest proper remedies of the problems and proper way out of the crisis. It is not enough to reconstitute the committee; we should also give such powers to this committee by which they can deal with these basic problems. There are certain remedies by which these basic problems can be solved. Firstly, the export of seed lac has to be controlled. We cannot simply depend upon the whims and desires of the American market. Simply because they want only seedlac and not shellac, we should not export seedlac alone to please them and get some money somehow or other. If we do that, it will lead to the ruination of the industry. We should decrease seedlac export and fix shellac export at a certain level. Secondly, the price should be controlled by Government. Thirdly, all the small manufacturers have to be given protection. Fourthly—this is more important—newer markets should be explored. We cannot depend entirely on the American export, which, although depending entirely on Indian shellac, dictates terms, leading to the ruination of a large number of workers and small cottage-industrialists. We must explore other markets also, so that this dictation by the American market can be avoided.

Lastly, I think that this committee should be given the power to find out ways and means by which diffe-

rent varieties of shellac production can be made. Out of shellac, all sorts of fancy goods are produced and we purchase these goods from the outside market, although shellac is produced here. It is not at all difficult to find out ways and means to establish units in which different varieties of articles generally made of shellac can be manufactured here. If we can do that, we can have our own shellac market here and we need not depend on the American market so much. It is in this way that a proper improvement of the shellac industry can be made.

The present amending Bill should have taken into account all these basic problems. I am really at a loss to understand why even after the Bihar Enquiry Committee have given their recommendations and suggestions, the Government has brought forward this sort of Bill, which does not touch the problems obtaining in the shellac industry at all. I admit that there is an improvement on the original Act, but I feel that the Bill does not at all touch the problems of the shellac industry without tackling which there cannot be any improvement of our economy.

श्री अ० इब्राहीम (रांची उत्तर पूर्व) : बिहार सबसे ज्यादा लाख पैदा करता है और मैं उस एरिया से बिहार की आता हूँ जहाँ पर सबसे ज्यादा लाख पैदा हो ती है, यानी छोटा नागपुर।

श्री स० ना० मिश्र (दरभंगा व भागलपुर) : अब बंगाल में चला गया है।

श्री अ० इब्राहीम : सब नहीं, जा रहा है। रांची में इंडियन लैक रिसर्च इंस्टिट्यूट (भारतीय लाख गवेषणा संस्था) भी है जो कि बड़ा अच्छा काम कर रहा है। मैं तो कहूँगा कि लाख में जितनी तरक्की होनी चाहिये, उसके बारे में वह बराबर कोशिश कर रहा है और उसकी तरक्की हुई भी है। लेकिन साथ ही यह

भी कहूँगा कि इस इंडियन रिसर्च इंस्टिट्यूट में जितनी तरक्की हो रही है और जो रिसर्च वहाँ पर हो रही है, वह देहातों तक नहीं पहुँचती है। इसके वास्ते आज कोई प्रबन्ध नहीं है कि देहातों में जा कर के इस चीज को बढ़ाया जाय। जो रिसर्च में तरक्की होती है वह लैबोरेटरी (प्रयोगशाला) तक ही रह जाती है और दूसरों तक जाने नहीं पाती।

अभी मेरे एक भाई ने कहा कि यहाँ से अब सीडलैक बहुत बड़ी मात्रा में एक्सपोर्ट (निर्यात) हो रही है। क्या आपने इसका कारण जानने की कोशिश की है। सीडलैक (ददरी लाख) से शैलाक (चपड़ा) तैयार होता है और जो बाई-प्रोडक्ट्स (उपोत्पाद) बच जाते हैं उनका भी अच्छी तरह से दूसरे मुल्कों में इस्तेमाल कर लिया जाता है। इस से अमरीका तथा दूसरे मुल्कों में दो फायदे होते हैं, एक तो उनको शैलाक मिलता और दूसरे जो बाई-प्रोडक्ट्स होते हैं उनको वे काम में ले आते हैं। यही कारण है कि वे मुल्क सीडलैक ही मंगाते हैं और शैलाक की नहीं मंगाते। इसका एक कारण यह भी है कि शैलाक के दाम उनको ज्यादा देने पड़ते हैं और साथ ही साथ जो बाई-प्रोडक्ट्स हैं उनका भी वे इस्तेमाल नहीं कर पाते हैं। यहाँ के जो व्यापारी हैं वे भी सीडलैक को भेज देना ही पसन्द करते हैं। सीडलैक (दरदरी लाख) भेजकर उनको शैलाक (चपड़ा) के जितने दाम मिलते थे उतने ही मिल जाते हैं। इसका अमरीका को भी फायदा होता है। सीडलैक मंगा कर बाई-प्रोडक्ट्स को भी वह इस्तेमाल में ले आता है। इसका एक नतीजा यह हो रहा है कि यहाँ के जो लोग हैं वे बेकार होते जा रहे हैं। यही कारण है कि जो व्यापारी शोष हैं वे अपने कारखानों को बन्द कर रहे हैं।

[श्री अ० इन्नाहीम]

पहले तो उनको अपने छोटे-छोटे कारखानों के लिए पैसा खर्च करना पड़ता था और आदमी रखना पड़ता था लेकिन आज कुछ नहीं करना पड़ता है। वे सीडलैक को ही एक्सपोर्ट कर देते हैं। इस कारण से उनकी जो फैक्ट्रियां हैं वे बन्द हो रही हैं और इसका नतीजा यह हो रहा है कि बेकारी बढ़ रही है। इन फैक्ट्रियों (कारखानों) के बन्द होने से लोगों की जीविका का जो यह एक साधन है वह खत्म हो रहा है। मैं आपको बतलाना चाहता हूँ कि इस धंधे में काफी लोग लगे हुए हैं और अपनी जीविका चला रहे हैं। उनको रोजी बनी रहे इसका आपको कोई प्रबन्ध करना चाहिए।

साथ ही साथ मैं यह भी कहना चाहता हूँ कि जो शीलाक पैदा करने वाले हैं उनको बराबर घाटा पड़ता जा रहा है। इसका कारण यह है कि जो फारवर्ड मार्केट (वादा बाजार) कलकत्ता में है या दूसरे बड़े-बड़े शहरों में जो फारवर्ड मार्केट्स हैं वहां पर ज्यादा तर लोग योरोपिन हैं और वे जिस तरह से भी चाहते हैं भाव को कम कर देते हैं और जब भी चाहते हैं उसको बढ़ा देते हैं। इसके जो बड़े-बड़े व्यापारी हैं वे भी गैर इंडियन ही हैं। वे या तो अमेरिकन हैं या यूरोपियन हैं। एक कम्पनी इसफहानी कम्पनी थी वह भी यही काम करती थी। वह जब चाहती है दामों को गिरा देती है। इसका नतीजा यह होता है कि पैदा करने वालों को चूँकि वे अपना माल जमा नहीं रख सकते हैं, कम कीमत पर ही अपना माल बेच देना पड़ता है। अगर कल्टीवेटर्स (कास्तकरों) की को-ओप्रेटिव सोसाइटीज (सहकारी समितियां) बना दी जायें तो समझता वे अपने हितों की रक्षा कर

सकेंगे और अपने माल को एक दो साल तक रोक कर रख सकेंगे और जब कंडिशन फेवरेबल (स्थिति पक्ष में) होगी तब बेच सकेंगे। ऐसा करने से जो बड़े-बड़े ट्रेडर्स (व्यापारी) हैं वे उनको एक्सप्लायट (शोषित) नहीं कर सकेंगे। लेकिन अब तक तो ऐसा नहीं हुआ है और जो कल्टीवेटर्स हैं उनको बराबर घाटा ही पड़ता रहा है और उनको नुकसान ही होता रहा है। १०-१५ आदमी मिल कर बहुत अच्छी तरह से इस काम को कर सकते हैं और अपनी जीविका चला सकते हैं। अभी हमारे भाई ने कहा कि मानभूम में कारखाने हैं। लेकिन मैं उनको बतलाना चाहता हूँ कि केवल मानभूम में ही ये नहीं हैं बल्कि सारे छोटा नागपुर में हैं। इस वक्त भी वहां पर जो छोटे छोटे कारखाने हैं उनमें लोग काम कर रहे हैं। लेकिन जब से सीडलैक भेजना शुरू कर दिया गया है वे बेकार लोग हो गए हैं और बहुत थोड़े लोग ही ऐसे हैं जो इस काम में लगे हुए हैं। तो मैं समझता हूँ कि अगर सरकार इन को-ओप्रेटिव्स की तरफ ध्यान दें तो यह मसला काफी हद तक हल हो सकता है।

मैं यह भी चाहता हूँ कि जो कल्टीवेटर्स (कास्तकार) हैं उनको जो कमेटी आपने बनाई है उस पर और भी ज्यादा रिप्रिजेंटेशन मिलना चाहिये। यदि उनको और ज्यादा नुमाइंदगी दी गई तो वे अपनी मुश्किलत आपके सामने और ज्यादा अच्छी तरह से रख सकेंगे। अब जो कुछ नुमाइंदे लिए गए हैं पूरी पूरी जानकारी नहीं है। मैं तो यह कहना चाहता हूँ कि आपको तमाम इरियाज के लोगों को इसमें रखना चाहिये ताकि कमेटी को उनकी तमाम दिक्कतों के बारे में पूरी पूरी जानकारी हो सके।

इसमें शक नहीं कि यह जो विधेयक प्रस्तुत किया गया है, यह पहले बिल पर इम्प्रुवमेंट (सुधार) है और मैं इसका स्वागत करता हूँ। लेकिन साथ साथ यह भी कहना चाहता हूँ कि आपको इस पर विचार करना चाहिए कल्टीवेटर्स को आप ज्यादा से ज्यादा नुमाइंदगी दें और साथ ही साथ उनके कारोबार को अच्छी हालत में रखने के लिए उनमें से बेकारी दर करने के लिए आप आवश्यक कदम उठावें।

Shri S. C. Samanta (Tamluk): We are thankful to the hon. Minister for bringing forward this amending Bill for the reconstitution of the Indian Lac Cess Committee. We would have been more glad if with this he had brought some change in the duties and functions of the Committee also.

We have come to know the cess of Rs. 2 lakhs which is collected every year by the Indian Lac Cess Committee is not being spent. My friend Shri Tushar Chatterjea was referring to the condition of the labour in the area. The lac industry has been usurped so to say by some three or four foreign firms and the indigenous industry is at stake at present. My friend was describing how the workers produce shellac in the fire and their hands are burnt. Because there are only three mechanised units in the industry, they pay the labourers according to their pleasure. The pay is very low and when they retire they are in a miserable condition. At the same time we find that there is so much money at the disposal of the Committee. Why not some amount be granted to those workers who are retiring? We shall be glad if the reconstituted Committee looks into this favourably.

These foreign firms are after money. They are exploiting the labour. They are not at all favourable to the workers. The workers are suffering. At the same time, indigenous producers are also suffering

because they cannot compete with the mechanised industry. So, Government should come forward to provide some safeguard to the indigenous manufacturers of lac and if necessary, Government should come forward with a loan to these indigenous manufacturers to establish factories and compete with the foreign firms.

The hon. Minister has, by this change, provided for nine members to represent cultivators. I would like to know from the hon. Minister as to how the representation of the individual States has been calculated. What is the standard—production or anything else? Again in the proposed sub-section (viii) of section 4 he has provided that one shall represent the cultivators of lac in States other than those referred to in clause (vii). These representatives also are from the place where lac is cultivated. Why should there not be ten or twelve representatives? If there be any cultivation at all in any State, in order to give encouragement to the cultivators there, they should also be represented in the committee. My hon. friend there also was pleading that more persons should have been represented on this committee from among the manufacturers. I would like to know from the Minister which States he has in mind, from which one representative will be taken in over and above the nine manufacturers.

When 90 per cent of the lac or shellac is supplied by India, why should the Government not come forward to control it? Why should Government be agreeable to export seedlac? I think seedlac export should be banned, and factories should be established with the help of Government to export only shellac. If we do not export seedlac, then other countries cannot say that they are not prepared to accept shellac.

In conclusion, I would request the Minister to see that the difficulties and distress that are faced by the labour and manufacturers there

[Shri S. C. Samanta]

should be looked into, and if necessary, Government should come forward with another amending Bill to safeguard the interests of the indigenous growers and the labour.

Shri L. N. Mishra: I do not want to make a speech, but I would like to ask only one or two questions of the hon. Minister.

How has this lac cess fund been used? How is it that the closing balance is increasing every year? Is the cess fund utilised at all for the purpose for which it is meant?

Secondly, I would like to know how the trade in lac has been monopolised only by three or four foreign parties. Have Government any proposal to break this monopoly by taking this trade also into the purview of the State Trading Corporation.

Mr. Chairman: I find that there is no other hon. Member who wants to speak. There is lack of interest. So, I shall now call the Minister.

Dr. P. S. Deshmukh: First, I shall deal with the points that have been raised in the course of the speeches made by the hon. Members, and then I shall come to the questions put by my hon. friend Shri L. N. Mishra.

I am very happy at that at least two Members have exhibited considerable interest in the lac industry, and they seem to know at first hand the position of the industry as well as that of the workers and the growers.

I refer especially to my hon. friend Shri Tushar Chatterjea, who dealt with the subject in a considerably comprehensive manner. My only complaint against his speech is that he is trying to find a remedy for all the difficulties by an amendment of this Bill. I am afraid that is not possible. I may forthwith tell him that I have personally studied the report to which he made repeated reference, namely the report produced in the Bihar State by a committee

of experts. As a result of that report, I held a special conference at Ranchi. That conference was held at the instance of the Industries Minister from Bihar. I was personally present throughout the discussions, and many decisions were taken there, which were acceptable to the Bihar Government as well as to the members who attended that conference.

Although it is not correct to say that we have derived the inspiration for bringing forward this amending Bill only from that report, yet I may inform my hon. friend that most of the outstanding issues which could be remedied have been remedied, and action has been taken.

The conference to which I have made a reference was held at Ranchi, and it was followed by another conference at Simla, where not only the Bihar representatives, but also representatives and Ministers from other lac-growing States were present. That conference was just before the draft of the Second Five Year Plan was prepared; and it was held by me with the object that at least in the Second Five Year Plan, we might be able to minimise the hardships of the growers of lac as well as the manufacturers.

The number of indigenous manufacturers is not 200. It is double that number; it is nearly 400. I may forthwith say that the reason why the reservation of one representative at least for the indigenous manufacturers has been removed is for the sake of enlarging their representation rather than for minimising it. Out of the four representatives which we have got for manufacturers of shellac, I would not be surprised if we are in a position to give not only two, but probably one more, to these people. So, I can assure him that the removal of the reservation of one representative for smaller manufacturers of shellac was not with the intention of eliminating their representation which they had, but with

the definite intention of enlarging their representation.

So, I think that at least in this point, we have met his wishes, and there would therefore, be no need for him to press the amendment that he has tabled. I have given this specific assurance already. This point was discussed also in the Rajya Sabha, and the amendment which was made in the original Bill was with this intention.

We also saw that there were only two or three bigger manufacturers, and while we were giving them *ipso facto* representation, the other indigenous manufacturers were not duly represented. So, I can even give my hon. friend this assurance that there is very possibility of giving at least two representatives for the indigenous growers.

The criticism I made of my hon. friend Sri Tushar Chatterjee's speech, namely that he is trying to remedy all the defects and all the handicaps of the people engaged in this industry by amending this Act, is applicable also to the speech of my hon. friend Shri S. C. Samanta; he has pleaded that we should come forward with a more radical amendment of the Act, so that whatever balance is left of the cess fund should be utilised for other purposes.

But I would like to tell him that these are all commodity committees. There is a definite pattern of work before them, and I am afraid it cannot be extended, however desirable it may be, for labour welfare and such other activities. The functions of these committees are limited to research on the one hand, and extension on the other, and also certain other incidental things which will lead to the development of the growing as well as the manufacturing industry. The functions do not go beyond that. And the position is exactly the same as in the case of the Indian Central Cotton Committee, which does not deal with the welfare of the textile

workers, for it is absolutely beyond its scope. These commodity committees are meant for the development of the commodities, for establishment of research institutions and so on.

I am glad that my hon. friend has made the suggestion for extending the results of research, and has complimented the institute on its work. I am very happy that he has appreciated the work that is being done there. When I visited this institute, it was decided that we must try and undertake a larger activity for the purpose of taking the results of this research to the people. I think an extension officer has already been appointed. We have every desire to intensify this activity, so that the results of research are passed on to the people so that they could take advantage of them.

So, I must say that giving any relief to the labourers directly, either by way of utilising the cess fund balances or in any other way, will lie outside the scope, not only of this Bill, but also of the powers of the committee. But nonetheless, I sympathise with the hardships of the labourers, and we as a Government—both the State Government as well as the Central Government—apart from the activities of this committee, will certainly pay attention to this matter. I shall certainly note this and bear this in mind, and see also what the State Governments and we can together do, so far as the amelioration of their condition is concerned.

It was also suggested that we should have a larger representation of growers than we have provided for. I would urge that this is a very extensive representation. The original composition of the Committee contained only 15 members. It is our experience also that if we make the Committee too unwieldy, then the intensity and quality of work suffers. So we erred on the somewhat conservative side, although we had

[Dr. P. S. Deshmukh]

to increase the membership to 24. Out of this number of 24, 9 are growers' representatives and 3 are going to be representatives of Parliament. That should, more or less, make a majority. There are also other interests who are not adverse to these representatives. So I think the representation we have provided is quite adequate. For instance, a scientist whom we want to appoint, I am sure, will not be under the thumb of the manufacturers whose numbers are going to be reduced progressively and very substantially. So I urge that the representation we have provided at the present moment is very adequate. The growers are now fully represented.

Shri S. C. Samanta wanted to know to whom this one representative of lac growing States not already represented was reserved for. I am not in a position to give a categorical or full reply at the moment. But I think States like Punjab and U.P. may probably find a place, or it may be any other State. It may be Hyderabad also which may be growing a little lac. This is a sort of miscellaneous representation which we have reserved in our power. When we feel that a certain State shows interest, then that representation will be given to it. Bihar is, by far, the most important State. It produces more than 60 per cent. of the lac produced in the country. Therefore, the most substantial representation has gone to that State.

So far as finances are concerned, the annual income from the cess is between Rs. 6 to Rs. 7 lakhs. The balance on 31-3-55 was rather large, but I think we have got new schemes by which we will be able to utilise this for the benefit of the industry. The balance was Rs. 23,53,701-4-7. It does look to be a big balance. That also happens in the case of the ICAR. But we have schemes which work for a number of years and the seemingly large balance is ultimately spent.

Mr. Chairman: Why nothing is spent for four years? The annual income is Rs. 6 lakhs. You have now a balance of Rs. 23 lakhs.

Dr. P. S. Deshmukh: It has been accumulating for the last few years.

Shri K. K. Basu: They have spent only Rs. 1 lakh.

Dr. P. S. Deshmukh: Money saved is always welcome. Money expended should be objected to. But we will see if there is any possibility of expanding its use.

Shri K. K. Basu: Do not spend on officials; spend on real work.

Dr. P. S. Deshmukh: That is what our anxiety is. If we wanted to spend on officials, we could have spent it.

I do not think there is any other point which I have not touched.

Mr. Chairman: There was one point made about controlling export.

Dr. P. S. Deshmukh: I have undertaken many-side activities in my life. Among other things I happened to be the Chairman of the State Trading Committee and we had recommended that the Government should consider State trading in shellac. Of course, there are certain difficulties. I am glad the Corporation has now been established. I am sure it will be up to that Corporation to think whether it can take up this matter under State trading.

So far as export of seedlac is concerned, I do not think we can suddenly take such an action and ban its export altogether, although we will certainly again examine whether there are any possibilities of minimising the export of seedlac and pushing up more shellac. But the whole business is rather intricate.

I may also assure Members that the domination of the foreign manufacturing concerns is not likely to remain intact hereafter, not only because of the larger representation of

and this House, on the Committee but otherwise also. But with many disadvantages, there are certain advantages also which we secure, and in our hurry to do away with the disadvantages, we do not want to cast away the advantages also. Nonetheless. I am not speaking in favour of these big concerns, but we will have to examine the whole position and act somewhat cautiously.

Shri L. N. Mishra: How is the Lac Cess Fund utilised, and what is being done to do away with the monopoly?

Dr. P. S. Deshmukh: I have already replied about the funds. Actually there is no monopoly as such. They are the substantial producers of shellac and naturally, they dominate the market. But, as I said, both the Bihar Government and we are examining the possibility of giving a larger share of transactions and business to indigenous manufacturers.

As regards utilisation of the fund, at the present moment, it is the income of this Committee only. It is for this Committee to frame plans for the expenditure of the fund. It is not utilised for any other purpose.

Shri L. N. Mishra: Is it being utilised? Every year the fund is increasing.

Dr. P. S. Deshmukh: We are going to examine schemes by which we will spend the amount.

Shri Ibrahim: What about co-operatives?

Dr. P. S. Deshmukh: That, of course is for the State Governments to do. As the hon. Member knows, we have a large plan for extension of co-operatives. If any co-operatives are established, the Central Government will be very glad to give them loans and other assistance, provided the State Governments frame schemes and recommend them.

Mr. Chairman: The question is:

"That the Bill further to amend the Indian Lac Cess Act, 1930, as passed by the Rajya Sabha, be taken into consideration".

The motion was adopted.

Mr. Chairman: We will take up all the clauses together.

Shri Tushar Chatterjea: In view of the Minister's assurance, I do not want to move my amendment No. 1, but I move amendments Nos. 2 and 3.

Clause 3:— (Amendment of Section 4)

Shri Tushar Chatterjea: I beg to move:

(i) Page 2—

after line 5, insert:

"(iva) four members representing workers of the shellac industry, to be nominated by the Central Government in consultation with the recognised central organisations of labour;"

(ii) Page 2—

(i) line 16, for "four members" substitute "five members"; and

(ii) line 22, add at the end:—"and one shall represent the Ministry of Labour".

Dr. P. S. Deshmukh: I am sorry I am not in a position to accept these amendments.

Mr. Chairman: I shall now put these amendments to the vote of the House.

The question is:

Page 2—

after line 5, insert:

"(iva) four members representing workers of the shellac industry, to be nominated by the Central Government in consultation with the recognised central organisations of labour;"

The motion was negatived.

Mr. Chairman: The question is:

Page 2—

(i) line 16, for "four members" substitute "five members"; and

(ii) line 22, add at the end: "and one shall represent the Ministry of the Labour".

The motion was negatived.

Mr. Chairman: The question is:

"That clauses 2 to 5, clause 1, the Enacting Formula and the Title stand part of the Bill".

The motion was adopted.

Clauses 2 to 5, clause 1, the Enacting Formula and the Title were added to the Bill.

Dr. P. S. Deshmukh: I beg to move:

"That the Bill be passed".

Shri S. C. Samanta: Lakhs are being 'spoiled' in the lac industry.

Dr. P. S. Deshmukh: Your complaint is that we are not spending.

Shri S. C. Samanta: I thank the hon. Minister for this Bill, and I hope that an exhaustive amendment will be brought forward in the near future. He has shown to us the difficulty that the commodity committees cannot spend money on labour facilities and other things. I will request him to see that a certain sum should be with the reserve fund of such committees and the rest only should go to Government for ameliorating the conditions of labour. This is my suggestion.

Dr. P. S. Deshmukh: I have noted the suggestion.

Mr. Chairman: The question is:

"That the Bill be passed".

The motion was adopted.

INDIAN COTTON CESS (AMENDMENT) BILL

The Minister of Agriculture (Dr. P. S. Deshmukh): I beg to move:

"That the Bill further to amend the Indian Cotton Cess Act, 1923, as passed by the Rajya Sabha, be taken into consideration."

I am glad that all these two or three Bills are coming before the House simultaneously. The purpose of this Bill also is substantially the same as that of the Bill which has just been passed by the House. Essentially, we want to give representation to Parliament. Here also there is a provision for two Members from this House and one Member from Rajya Sabha to be represented on the Indian Central Cotton Committee. We are also providing for larger representation of the growers on this committee. Originally, we had 9 representatives of cotton growers, 2 from Bombay, 2 from Madras, 1 from Punjab, 2 from U.P., 2 from Madhya Pradesh. This has been very substantially increased to as big a figure as 26; it is nearly 300 per cent. The representation will be, Bombay 5, Madhya Pradesh 5, Hyderabad 4, Madhya Bharat 2, Saurashtra 2, Madras 1, Andhra 1, Bhopal 1, Mysore 1, PEPSU 1, Punjab 1, Rajasthan 1 and U.P. 1.

Shri T. B. Vittal Rao (Khammam): How do they relate to the production of cotton in those States?

Dr. P. S. Deshmukh: This is roughly according to the acreage under cotton.

So, the main purpose of this Bill was to meet the wishes of this House. They had suggested some time ago—it was in 1953—that the Parliament should be represented on these commodity committees and the growers' representation should be increased. We have done this at the cost of the Government of India's nominees. Originally, we had 15 nominees whom we could nominate on the Indian Central Cotton Committee and we have reduced this to only 6.

Mr. Chairman: Your nominating power is not reduced; it is there.