

[Shri Harish Chandra Mathur]

shall be re-numbered as sub-section (1) thereof, and—

(a) in sub-section (1) as so re-numbered, after the words "in particular", the words "the form and manner of applications for fixation of permissible quotas for groups of mills, the procedure to be followed in relation to such fixation and" shall be inserted;

(b) after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

"(2) All rules made under this Act shall be laid for not less than thirty days before each House of Parliament as soon as may be after they are made, and shall be subject to such modification as Parliament may make during the session in which they are so laid or the session immediately following."

Mr. Speaker: The question is:

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for clause 6 substitute:

6. Amendment of section 5,—

Section 5 of the principal Act shall be re-numbered as sub-section (1) thereof, and—

(a) in sub-section (1) as so re-numbered, after the words "in particular", the words "the form and manner of applications for fixation of permissible quotas for groups of mills, the procedure to be followed in relation to such fixation and" shall be inserted;

(b) after sub-section (1) as so re-numbered, the following sub-section shall be inserted, namely:—

"(2) All rules made under this Act shall be laid for not less than thirty days before each House of Parliament as soon as may be after they are made, and shall be subject to such modifications as Parliament may

make during the session in which they are so laid or the session immediately following."

The motion was adopted.

Mr. Speaker: The question is:

"That clause 6, as amended, stand part of the Bill".

The motion was adopted.

Clause 6, as amended, was added to the Bill.

Clause 7.— (Amendment of the Schedule)

Mr. Speaker: Amendment No. 6 of Shri Tangamani is out of order because it increases the incidence of taxation.

The question is:

"That clause 7 stand part of the Bill".

The motion was adopted.

Clause 7 was added to the Bill.

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

Shri Kanungo: I beg to move:

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

Mr. Speaker: The question is:

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

The motion was adopted.

COTTON FABRICS (ADDITIONAL EXCISE DUTY) BILL

The Minister of Commerce (Shri Kanungo): I beg to move:

"That the Bill to provide for the levy and collection in certain circumstances of an additional duty of excise on cotton fabrics issued out of mills be taken into consideration."

The purpose of the Bill has been explained in the Statement of Objects

and Reasons. Apart from it, "hon. Members of the House, as well as the country outside, are aware of the policy, in implementation of which this Bill has been introduced. As a matter of fact, there is a motion for circulation of the Bill for eliciting public opinion and I might as well say that the interests concerned, that is, the textile industry and the public in general are very much aware of the provisions of this Bill, and, therefore, there is no point in circulating it.

The policy was announced in September, 1956. The idea was that in order to stimulate our exports, which is not showing any such tendency, we have to permit, or rather to induce, the textile industry to instal additional capacity for producing 350 million yards of cloth to go into the export market. The apprehensions in the country were that if the capacity was increased, it is quite possible that the goods produced by the additional capacity would go into the home market and thereby hurt the interests of the weavers, whose cost of production is definitely higher. And the apprehension of the weavers is certainly legitimate.

Here we have a situation where we have to take contradictory lines of action together. In order to establish ourselves in the export market in competition with other countries we have to undertake production by means of improved techniques and produce goods which are faultless at a price which can compete in the export market. A citizen of India can be made to suffer to a certain extent, or any extent, according to the will of Parliament. But the citizens of other countries are not amenable to it. Therefore, it was thought in 1956 that we would permit the installation of automatic looms to the extent of production of 350 million yards of cloth, which was the anticipated requirement of the export market. Unfortunately, none of these anticipated units have come into being. The reasons are various. In 1956, to allay

the apprehensions of the weavers and the public in our country we had stipulated, in consultation with the textile interests, that a penal duty will be imposed on the additional cloth woven out of these automatic looms which may go into the internal market. The quantum has been fixed according to this Bill at various rates and the quantum is a maximum of 12 nP, that is, two annas per yard over and above all the impositions which we have made. In other words, the rates are prohibitive and if a particular establishment finds it not remunerative to work these looms for export purposes, if there is not enough demand or if the price is not remunerative, the inhibitions of the high excise duty plus penal excise duty are such that, instead of trying to divert production into the internal market, he will not produce. As given out by the Commerce and Industry Minister at that time, the intention of the Government was that the entire production of these looms should be earmarked for export. In pursuance and implementation of that policy, this piece of legislation has been introduced. I believe the inhibitions put have been so stiff that there has not been a scramble for utilisation of this capacity in looms which could have been expected three years back. However it may be, it has allayed the apprehensions of a large bulk of our population.

Shri Ranga (Tenali): How?

Shri Kanungo: I believe that is a gain worth having.

Shri Ranga: What apprehension?

Shri Kanungo: Apprehension that the increased capacity will hurt prices in the internal market.

I hope the inhibition will not be too much and I hope that at least the forward looking textile industry, which is a pioneer line of industry in our country, will not hesitate to take advantage of the offer of automatic looms and will, in spite of the halter that was put on them, prove their

[Shri Kanungo]

worth and acumen in holding and increasing the export market of Indian textiles.

I commend the Bill for the consideration of the House.

Mr. Speaker: Motion moved.

"That the Bill to provide for the levy and collection in certain circumstances of an additional duty of excise on cotton fabrics issued out of mills be taken into consideration."

Shri Ranga: Mr. Speaker, I am sure, nobody would grudge gratitude to the Government for what they have been trying to do in order to help our handloom weaving industry in our country.

Shri Mahanty (Dhenkanal): On a point of information, may we know what is the percentage of the total number of persons who are engaged in weaving? All the while, we are talking of handloom weavers.

Shri Kanungo: The published documents of the Government of India give them.

Shri Ranga: If he wanted to ask the Minister, he could have waited till I finish or he could have done it before I got up.

Mr. Speaker: The total population of handloom weavers? The Census report gives that.

Shri Mahanty: I thought the Minister would be able to give it.

Mr. Speaker: Why should the Minister give it.

Shri Mahanty: The point I raised is not for any frivolous reason. The fact is, there is a huge bulk of consumers. Their interests have also to be taken into consideration. We would like to know what is the total number of weavers and to what extent they contribute to the national wealth of the country.

Mr. Speaker: That can be said with respect to every industry. All right. Hon. Member will have a chance.

Shri B. S. Murthy (Kakinada—Reserved—Sch. Castes): The question was put by Shri Mahanty to Shri Ranga because he thinks that Shri Ranga is the accredited leader of the weavers.

Shri Ranga: In the Journal of Industry and Trade, latest number, which my hon. friend must have also got, we find that actual registration of handlooms has not yet been completed, and there were as many as 10,15,878 handlooms which were registered till the end of June, 1957. If we take that there are five people, children and others, in each one of these families depending on each one of these looms, this alone would give more than 50 lakhs of people who are dependent on the handloom weaving industry.

Sardar Hukam Singh (Bhatinda): Weavers have larger families.

Shri Ranga: They do have. There would be as many weavers as there are looms.

Shri A. C. Guha (Barasat): A considerable portion of the looms have not been registered.

Shri Ranga: Un-completed registration, I said. In many of the States, the weavers are unwilling to get themselves registered for fear that it may lead to some taxation upon their looms' production; in other areas also because of the penal provisions made for failure to register themselves. Especially in the whole of South India, quite a large number of weavers have been unwilling to get their looms registered. We are trying our best either to drop these penal provisions or if prestige comes in the way of their dropping the penal provisions, to wink at the penal provisions. If we succeed in persuading the Government to look upon this registration as an entirely voluntary process, we may be able to get a majority of the weavers register their looms. We know as a fact that more than one crore of people are depending on the

handloom weaving industry. All these people have got to be protected. I am glad that the Government has adopted a policy of protecting them.

At the same time, I do not know whether the Government is able to pursue any particular policy in a single-minded manner. The same Ministry is responsible for furthering the interests of large-scale textile industry, split into two portions there again, the spinning side and weaving side. The same Ministry is also anxious to help those who are interested in power looms. My hon. friend, somehow, has developed a particular fascination and affection for these power looms. Therefore, he seems to think that he alone is the best possible friend of the weavers, and therefore, as many as 50,000 power looms should be introduced into this country in order to replace all these handlooms in our country, so that all these 50,000 power looms would be able to produce all the cloth produced today by the handloom weavers and very much more also and enable the so-called handloom cloth to compete on equal terms with mill made cloth. How he has deceived himself into thinking that cloth produced on power looms will not be mill made cloth and that cloth produced only in the big combines alone can be mill made cloth is a thing that passes my comprehension. Anyhow, that certainly passes the comprehension of one crore of people who are employed on the handloom industry. Not only that.

There was a Committee known as the Karve Committee consisting of members and experts. They also came to the conclusion that they could not agree with Shri Kanungo.

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In the Statement of Objects and Reasons, the hon. Minister has stated, and he has confirmed it by his speech, that many of these millowners have not been able to take advantage of the opportunity given by the Government to introduce these automatic looms. He says that certain sections, i.e., the handloom weavers, might welcome it, and they do welcome it.

But at the same time, the Government has kept this loophole open. Indeed, they provided this opportunity, additional opportunity, for the mill industry to develop itself, to expand itself. They themselves have estimated that our exports of cloth are not looking up, and our various Trade Commissioners also report that our exports to England are coming down, and Hong Kong, our biggest competitor, is having a big lead over us, and that the prospects of increasing our exports are not very bright. Under the circumstances what would be the position in our country, when you allow all these automatic looms to be installed, when you increase the capacity of our weaving mill industry in this country to produce more and more cloth. They have themselves provided for an additional quota of production by the mill industry to the tune of 350 million yards.

Shri Kanungo: For export.

Shri Ranga: Solely for export. When they are not able to export, when they wish to sell a portion of it within the country they come with this Bill, with a penalty. Is it not so? I speak subject to correction.

Therefore, it comes to this, that first of all they enable them to instal more looms with higher capacity for production. Having done that when the mills find themselves in a position of larger and larger production and they are not able to sell it abroad, they would allow these mills to sell that surplus production in our country to the detriment of the Khadi industry and also the handloom industry. That is the sum and substance of the whole thing. And when they begin to sell it in our country, they want to levy this excise duty and then say to us: "Look here, we are going to make the mill cloth more and more costly and in that way penalise them, prevent them from selling it. Therefore, why have any fear?" Actually, they themselves admit that the internal level of prices is rising.

Mr. Speaker: The object appears to be not to prevent the production of

[Mr. Speaker]

additional cloth in mills, but to see to it that handloom cloth also is protected. This does not sell cheaper than the handloom cloth. Let there be more and more production. Fifteen per cent. is exempt. On anything more than 15 per cent. up to 1960 additional excise duty is payable for internal consumption.

Shri Ranga: Actually the point is, if we are to argue it from the other end, we find that in spite of all these complaints made by the millowners, as a result of the imposition of these excise duties, the prices of cloth are going up by leaps and bounds. Actually we find that the mill-made cloth has been selling more or less at the same price during the last year as well as this year, taking into consideration, of course the general inflation spiral which is pushing up the prices of all commodities including the manufactured goods also. Therefore, that way it is not really in any way helping the handloom weaver. It is not in any way increasing the capacity of the handloom weaver to compete with mill-made cloth, merely because of this excise duty. Actually it is really getting round the very policy of protection that they have adopted to help the handloom weaver and the Khadi industry. That is one of the reasons why, even on an earlier occasion when a Bill was brought before Parliament, I raised my voice against it and warned Government about this possibility.

Anyhow, today I find that they want to help them to a greater extent, but they are raising the excise duty. That is all they are doing. I cannot congratulate them because it is likely to nullify the programme that they have themselves adopted for the handloom weavers.

It is provided here that out of 1,700 million yards of additional production that they want to achieve during the Second Plan, 300 million yards have been set apart for Ambar Charkha and 700 million yards for the handloom industry. What is the actual position? There are larger

stocks of handloom products today which are not being sold. We are asking for more and more assistance in selling them. In addition to this, if you are going to ask them to produce 700 million yards more of cloth, where will be the sales, if they are to compete with this additional production that is going to be permitted to the mill industry? Again they turn round and say, as their Minister said the other day to the Handloom Board, that if the handlooms are not prepared to produce all this additional production that is expected of them, it will be diverted to the mill industry. That is where the thin end of the wedge comes in.

Here are the handlooms and the handloom weavers. They are prepared to produce to their maximum possible capacity, and actually they are able to produce now only one-third to one-fourth of the full capacity they are capable of even according to the report submitted by my hon. friend Shri Kanungo. And if they were to produce to their fullest capacity and place at the disposal of the consuming public 700 million yards more of cloth, how can it be sold and who is going to sell it. What we have been asking the Government all this time to do is to relieve us for God's sake of the responsibility of marketing the cloth that we produce. You set the standards if you so wish, you give us the patterns, the designs and all the rest of it, you supply us also the yarn at reasonable prices, but make yourself responsible for the marketing of the cloth.

13.27 hrs.

[MR. DEPUTY-SPEAKER in the Chair.]

Sell it to whomsoever you like either in this country or abroad. Then we would be able to satisfy all your demands, and if we are not able to produce this 700 million yards more, you can take us to task and say that that portion of it which we have failed to produce you are going to divert to the mill industry. Are they prepared to do that?

At present they are not yet prepared to do it. If they are going to ask the weavers themselves to be responsible for the sale of their cloth, as they are obliged to be today, and if they are not going to ask their Defence Ministry, their Railway Ministry and other various States enterprises to give special preference to handloom cloth and thereby encourage the marketing of handloom products, it would certainly not be right for them to turn round and say that they are going to place whatever additional production that the handloom weavers have failed to achieve at the disposal of the mill industry.

Let them be quite clear in their own mind as to whether they want to encourage the handloom industry or whether they want to encourage the mill industry. If they want to encourage the mill industry, then the country would know what to say to the Government. If, on the other hand, they wish to encourage handloom weaving industry, I do not want them straightaway to shut all the mills that we have today, but let them not at least allow any more looms to be installed.

Even in those days when the British Government was here, during the last years of the last war, they had to heed the voice of these weavers because of their dependence during the war upon handloom weaving production, and therefore they themselves promised to put a ceiling upon the licences they would be issuing for the installation of new looms. Soon after that, our own independent Government came in, and we requested the then Ministers Shri C. Rajagopalachari and the late Dr. Mookerjee to stop the implementation of those licences. They said they could not do that, but at the same time, they felt that more than half of those licences which had already been issued were not going to be utilised by the millowners. Therefore, the handloom weavers need not be afraid of it. Afterwards, not being satisfied with the installation of the looms that were obtained from abroad as a result of the licences that were issued during the last stages of

the war or soon after war, now our Government comes forward and gives them a further opportunity of installing these automatic looms. They knew that the textile mill workers themselves were not so very enthusiastic about the introduction and installation of these automatic looms, because that would cut down the employment for the mill workers. Therefore, they would allow these things over and above the looms that were already there—overaged or whatever they are—so that there would be employment for a few more workers and there would not be any unemployment to the existing number of workers. That is how you try to satisfy the industrial workers, although they form only a very small percentage of the total number of workers employed in the textile industry as a whole in this country.

But when it came to the handloom weavers, you began to say: "We have established the Handloom Board, we have imposed the cloth excise duty; we have also put certain restrictions upon mill production of certain varieties of cloth. You should be satisfied with these. Why do you bother?" The real bother comes in because of the inability of the handloom weavers to sell their cloth. Why are they not able to sell their cloth? My hon. friend has one standard argument—and that is also the usual answer given by very many friends—and that is that it is because their cost of production is so very high, their methods of production are so very uneconomical, unprogressive, reactionary and all the rest of it.

Actually, we have been employing a sufficient number of experts under the Handloom Board, and also the various State Governments have been employing a number of designers, pattern makers, implement designers. There are a number of research institutes also to improve these various implements. This work of improvement has been going on for the last 45 years, and with greater tempo during the last five or six years. Excepting

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for the introduction of the powerloom, about which my hon. friend is so very keen, every improved implement that has been designed till now by way of weaving machines, warping machines, reeling machines, sizing machines, carding machines and so on, is being introduced and used by the weavers themselves. They are accepting and utilising them. I would like my hon. friend to see where it is that they are carrying on any kind of obstruction at all. On the other hand, if these improved implements are yet to be introduced in certain areas, they must be far outlying areas either in Assam or in certain portions of the hon. Minister's own State of Orissa or certain distant outlying areas of certain other States, possibly the hill areas of Andhra and Tamilnad. But certainly in Tamilnad, Andhra and Malabar, there is not one area, one group of villages, in the plains which had been approached so far by the officers of the State Governments, and also the agents of the Handloom Board where you would find the handloom weavers unwilling to adopt any of these new machines and new implements.

Therefore, it cannot be said that they are not adopting improved methods of production. Even in regard to designs, we have got centres now to introduce them. Even in regard to patterns, we have got the weaves, the warps, the seams etc. For all these things, we also have the carding machines, warping machines etc. Therefore, it would be unfair to level this charge against the weavers that they are not adopting improved methods and say that that is the most important reason why prices are so very high.

Prices are high, they have got to be high, only for this one specific reason that a minimum earning has got to be assured to our weavers. Is that being assured? We would like the hon. Minister, the Government as a whole and the State Governments also to adopt this policy of fixing some particular minimum level of wages

or earnings to be made available to our weavers, and thereafter let them also fix certain norms of production patterns and all those various things. Then, if they are not satisfied, they can of course take us to task. But until then, it would not be fair to go on pampering the mill industry and giving this kind of encouragement in an indirect manner on the specious plea that we are so badly in need of foreign exchange; therefore, we are going to help our mill industry to export more and more, and it is for that reason that these automatic looms are being admitted here, at the same time, saying that because you people in India are so very rich that you are prepared to pay high prices for mill cloth....

Mr. Deputy Speaker: I am a displaced person—not getting rich.

Shri Ranga: These people are very rich and are willing to pay high prices and so the millowners do not find it profitable to export the stuff, although we want foreign exchange; and so we are going to enable them to sell it in this country itself and reap all those profits, provided they pay what is called this toll gate fee. We do not want this toll gate fee. We do not want toll gates, because we know that they are not intended to benefit the handloom weavers or khadi producers. We know that they are only going to benefit the millowners. We do not want the mill industry which employs hardly—I speak subject to correction—6½ lakh people in the whole country, including all the subsidiary units, to come in the way of the livelihood of more than 1 crore of our handloom weavers. I have done.

Shri T. K. Chaudhuri (Berhampore): I beg to move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 31st October, 1957."

Mr. Deputy-Speaker: There are only two hours for all the stages of this Bill. Therefore, the hon. Member shall be brief.

Shri T. K. Chaudhuri: We saved some time in the earlier Bill. That may be added to the time for this Bill, because this is a very important measure concerning the interests of the handloom industry.

Mr. Deputy-Speaker: I have no discretion to increase the time. If we have saved, we have got many other things.

Shri T. K. Chaudhuri: All right.

The hon. Minister said that the measures proposed in this Bill had been before the country for nearly a year and these have been suggested more or less in consultation with the interests represented by the textile industry. Anyway, so far as the broad overall objectives of this Bill are concerned, I was under the impression that nobody would object to them, but after hearing Shri Ranga, I have been compelled to change my opinion.

I think so far as the objective of increasing our export trade in cotton textiles is concerned, the time has come when we must give our most serious consideration to it. Till 1950, we were the largest exporters of cotton textiles in the whole world. Even now, we retain our position as the second largest textile product exporter in the world; our position just comes after Japan. But due to the philosophy of economic obscurantism which is guiding the policies of this Government, somehow or other our industry has been placed in a position where we are threatened with a complete ouster from the external markets.

I will cite certain figures about the Volume of our exports. In 1950, it was 1120 million yards. In 1951, it came down to 823 million yards. In 1952, it was 602 million yards and in 1953, there was a slight increase and it came up to 834 million yards. In 1955, again, the figure went down to 735 million yards and last year it was 721 million yards. Only this year, in the first quarter, it has been at the rate of

1000 million yards. But the figures for April have gone down and I am not very sure that our export position is improving.

The latest reports that I have been able to secure, the reports of our Trade Commissioners, show that everywhere we are short of facing a losing battle in the cotton textile export field. Everywhere we are confronted with certain hard facts which we cannot just explain away. The Volume of world export trade is shrinking due to well-known causes into which I need not go immediately. So far as India is concerned, the advent of Japan and the growth of new textile industries in the markets where there were no indigenous textile industries formerly, is also a factor to be taken into account.

Then, there is our own inability to compete with new countries which are entering these markets, not only Japan. Japan, for the last three decades, has been one of our principal competitors but I find from latest official versions that in Iran we find competition not only from Japan but also from USSR, Hungary and Poland. It might be thought that with Iran so nearer Russia, that was a natural field where Russian exports of consumer goods could go. But here is a report in the Journal of Industry and Trade, a report of our Trade Commissioner there and it has been mentioned that the last year was marked by substantial increase in imports from Japan, China, Czechoslovakia, U.S.A., West German, and Poland. To new countries Russia and Pakistan entered the Malayan Market for the first time. The figures are telling.

Take Thailand, for instance. Here Japan increased its textile exports from 41 million yards in 1952 to 85 million yards in 1953 and to 116 million yards in 1954. We increased our exports to that country but it came up from 1.89 million yards to 3.47 million yards.

I have all the figures ready with me, but, unfortunately, I do not have the time to go into these figures. But

[Shri T. K. Chaudhuri]

the facts are very well-known. In spite of the fact that we have been able to hold our own in the export market, particularly, in the natural export market spread round-about the shores of the Indian ocean, where we enjoyed a certain kind of natural advantage, the fact remains that in all these markets we are being slowly squeezed out.

Even now, as I have said just now, we have held our ground and, perhaps, made a little headway; but, others have made greater headway and unless we look sharp and unless we take safety measures for export promotion, in the course of the next few years, I think, we will be completely ousted from these markets.

So, it is not only from the point of view of foreign exchange earning alone, which is a very important consideration, but also from the point of view of maintaining the production and employment of the industry at a certain level where we can feel assured about the economic position of the country, that we should look to the export aspect of the question.

Unfortunately, the Bill submitted to the House by the hon. Minister, Shri Kanungo, hardly secures that objective. It is an absolutely negative measure. It is no measure for positively going forward and for creating incentives for our export trade so far as cotton textile industry is concerned. It is as if some Muhammad Tughlak comes and says: Look here, this is to be your quota; we are prepared to give you additional looms if you want to produce this much for export. But if you do not do it then we will impose penal duties on you.

I am not against securing a certain proportion of the market for the handloom industry. But, if we are really serious about increasing our share of world cotton textile trade, then, this negative sort of attitude should be totally given up and Government should take positive measures to really

foster the export trade in cotton textiles. I know the hon. Minister will immediately say, we have appointed a Cotton Textile Promotion Council. There are so many other Councils. I ask him straight, 'Has the Cotton Export Promotion Council suggested this measure?' Have you considered the implications? What are you going to do? You have already created a certain situation in the market where, in spite of your efforts, economic laws are having their no export effect. You are trying to put targets for mill production but in spite of the fact, mill production has already outstripped the targets that you had set for it in the First and in the Second Five Year Plan. You cannot prevent it. You imposed all sorts of duties. You imposed them in last September; now you are putting certain token penal duties on automatic looms. It intrigues me very much to find that mill-owners' associations have not been much perturbed although they have had these measures before them for the last several months. I just came across a letter from the Federation of the Indian Chambers of Commerce and Industry addressed to the Government. They have almost accepted this measure in principle, but only suggest certain changes here and there. To that extent, I am in sympathy with Shri Ranga who believe that these light penal duties were not going to induce the cotton textile magnates to dispose of their additional production in foreign markets. They have a ready market here, and excise duty or no excise duty, they will sell here. They earn sufficient profit to make it worth while to sell them here.

In the Second Plan, they were allowed an additional quota of 350 million yards and in September last the government proposed to licence an additional 18,000 automatic looms to enable the cotton mill industry to produce this quota exclusively for export purposes. But what are the facts? Already this sector has exceeded all the targets set before it.

In the First Plan, the quota was 4,700 million yards. In 1955, the production was 6,847 million yards. In 1956 Government says that they should produce another 350 million yards for export purposes but they have exceeded that target also and the production was 6,847 million yards. What are you going to do about this?

Shri Kanungo: That includes hand-loom looms also.

Shri T. K. Chaudhuri: No I am quoting from this book—*Programmes of Industrial Development* by the Planning Commission. At page 343 these figures are given. At the time of the recent Conference of textile mill interests held in Delhi in July 1957, they claimed that they had far surpassed the targets set for them in the Plan and wanted a change of quota and also for a change of the relative allotment given to different sections of the industry—hand-loom, power looms and mill. Howsoever people like Shri Ranga may shout or lament, assurances were held to the mill sector in that Conference. The hon. Minister of Commerce and Industry assured that Conference on 14th July:

“There cannot be any finality about statistical predetermination of demand and consumption targets. The Government of India is not wedded to any fixed targets of production, whether it is 18.5 yards per capita or 20 yards per capita and does not intend at any time to freeze on any particular yardage per capita. Both the overall target of cloth production and the targets set for the different sectors for this industry, namely, mill sector, handloom sector and khadi sector will have to be constantly reviewed from time to time in the light of the developments taking place in the different sectors.”

That is to say, economic facts have compelled the Government to come out with this statement. Not only economic facts. I have just mentioned them. There is also a

close inter-relation or integration between this Government and the cotton textile interests of this country because the cotton textile interests of this country represent a monopoly interest. It is the premier national industry and the oldest organised national industry. The industrial development of capitalist industries has taken place in this country on the basis of cotton textiles. In spite of all your professions of good-will, sympathy and so on for the hand-loom industry, you have got a certificate from the President of the FICCI, Shri Babubhai M. Chinai. He comes from the same State as the hon. Minister of Commerce and Industry. He said:

“I will be failing in my duty if I do not place on record the assistance which Government have extended to the industry from time to time. For instance, the National Industrial Development Corporation is helping the industry to finance its rehabilitation and modernisation programme. Government have also constituted the Export Promotion Council for Textiles and financial and other assistance to this Council is being given. A Central Wage Board for the Cotton Textile Industry, the first of its kind, has also been set up to evolve a wage structure bearing in mind, on the one hand, the requirements of social justice, and on the other, the needs of the industry in a developing economy.”

Why this expression of gratitude on behalf of the cotton textile industrial magnates. Who will believe you when it is said that the Government is going to impose penal duties upon this industry? It seems strange. That is why I said that I felt intrigued when I found that the Federation of Indian Chambers of Commerce and Industry have written to the Government only suggesting certain minor amendments here and there. They have only suggested a ceiling for the penal duty and nothing more. Why is it so? Let this

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country, the people and this Parliament ask of the Government, why is it that the cotton textile industry, the mill industry is so very full of gratitude? It is simply because they have reasons to be grateful.

14 hrs.

The Government have created in this country a condition in the market where, in spite of all the penal duties—these have now become token penal duties as our friend Shri Guha pointed out just now काचन नूनन परिशुद्धति anything can be done. Pay a little penal duty and everything will be allowed. But you are threatened with a danger. Do not think that things will go on smoothly. The hon. Minister, Shri Kanungo, himself recognises that. His sphere of authority or that of his chief Shri Desai runs within the frontiers of this country, and outside the frontiers of this country it is still the economic laws that operate and the operation of the economic laws are slowly ousting you from those markets, those markets which may be said, natural, 'markets for India' where you so long enjoyed a certain natural advantage of geographical contiguity and advantage from the point of view of raw materials. But, now you are slowly going to lose them. Do not think that other countries are sleeping.

Mr. Deputy-Speaker: I will be careful in that respect, but now the hon. Member should try to conclude.

Shri T. K. Chaudhuri: I will be very brief, Sir.

Mr. Deputy-Speaker: He has already taken about half an hour. He can very well imagine what it means out of the two hours allotted for this Bill.

Shri T. K. Chaudhuri: Sir, I will conclude in two minutes. I am nearly done. My only purpose in moving this circulation motion was to try in my own humble way—I don't exaggerate the importance or the sort of strength of my voice—to shake this House, to shake the Government

and to shake the country to a certain extent out of its complacency.

Shri D. C. Sharma (Gurdaspur): Not the Government.

Mr. Deputy-Speaker: The hon. Member there is not shaken.

Shri D. C. Sharma: He has been able to shake the House.

Shri T. K. Chaudhuri: Nobody can shake him, he is well buttressed. We have created a situation where, however much we may like we will not be able to buttress the handloom industry any further, and however much we may like we will not increase our foreign exchange earnings by way of export of our cotton textile products if we go the way that we are going up till now.

So, I want the hon. Minister, who is one of the constructive thinkers in this line, to bring forward a measure which will be a positive measure of export promotion, and not a token Mohammed Tughlak—like measure just saying "if you do not export we will put a penalty duty of two annas". What does this mean? The Federation of Indian Chambers of Commerce and Industry and all the millowners interested in this country have accepted the principle of this Bill. They have suggested minor amendments here and there. That is why I have moved this motion for circulation, so that we might yet get a positive measure. The laws do not allow me to straightaway oppose this Bill, so I had to take recourse to this motion for circulation.

Mr. Deputy-Speaker: Amendment moved:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 31st October, 1957."

Shri Mahanty: Mr. Deputy-Speaker Sir, so far as I have been able to follow the debate, the issue underlying the Bill is not an issue between the well-being of the weavers versus the

interests of the textile milling industry; the issue is not between the cottage handloom industry and the mill industry, but the real issue, to me it seems, is between the desirability of laying artificial restraints on a reasonable level of consumption and the justification for it.

This Bill, there is no doubt about it, seeks to lay artificial restraint on the reasonable level of consumption by adducing reasons the validity of which can be very seriously doubted. Sir, I invite your attention to the Statement of Objects and Reasons of this Bill. Therein three facts have been stated. In the first place, it has been stated that there has been a progressive decline in the export of cloth. In the second place, it has been stated that there is an increase internally in the demand for cloth. In the third place, it has been stated that increase in production has not kept pace with the increase in demand. I venture to think that all these are not borne out by facts which have been stated by the Government themselves as early as the 14th of last month.

The hon. Minister, Shri Satish Chandra, in reply to a question in this House on the 14th of this month stated that the production of cloth has been increased. He said, production of mill-made cloth in the present half of the current year was 2,700 million yards as against 2,583 million yards during the corresponding period last year. I am sure this does not include the handlooms to which the hon. Minister had referred. This is in the mill sector that the production of cotton textiles has been increased. He also stated that, due to low off take from the mills since last September due to higher prices, in the mills the stocks are accumulating.

Here we are presented with a phenomenon. There is low off take from the mills due to high prices, the stocks are accumulating, but due to certain other factors over which, possibly, the Government may not have any control they can't export all this accumulated stock to outside.

Therefore, has he any justification to impose an additional excise duty over the prevailing rate so as to induce a kind of inhibition which will always work against the interests of the consumers?

As I was saying, in the Statement of Objects and Reasons—if I were uncharitable enough I would have said it 'a tissue of lies'—when we come to the figure of exports we find that during January and May 1957 the exports of mill-made cotton textiles had aggregated to about 392 million yards. That means a 24 per cent. increase over exports during the corresponding period last year. Therefore, according to the Government figures our production is increasing, our exports are increasing, and what is decreasing is the average rate of consumption due to high level of prices.

In this context I would beg of the House to consider whether it is fair to function in the interests of the weavers alone to impose a further levy of excise duty on mill-made cloth and bring about a restraint on our consumption of cloth, which I think is the lowest in the world. When I say it is the lowest in the world, I would like to give figures. In the U.S.A., it is 33.3 lbs. per capita per annum. In Western Europe it is 17 lbs. In India, it is 5 lbs. Even in the report of the second Five Year Plan this fact has been admitted, namely, that the per capita consumption of cotton textiles in India is now much below the pre-war levels.

In this context, it is time that we consider whether we are not going to change completely our attitude towards this industry, not from the weavers' point of view alone, though it is a very important point of view. While Shri Ranga was speaking, I ventured to intervene for an information about the total number of weavers and what percentage they constitute of the total working force in this country. But there was no reply. Only, we were given a notional figure of about a crore of people who are said to be dependent on the handlooms

[Shri Mahanty]

industry. I have every sympathy for that industry, but that industry cannot be allowed to prosper, cannot be allowed to grow, at the cost of the rest of the crores of Indian consuming population.

We note from the various reports which are regularly sent to us by our Trade Commissioners that our exports are falling primarily because of the fact that Hong Kong has now come up in the field; China and Pakistan have also come up, and because the middle-eastern countries are taking advantage of the barter system of economy, and the Soviet textiles are finding there more easier markets. I would like to know from the hon. Minister how, by imposing this additional excise duty, he is going to set right the falling exports of India which is due to technical reasons and not due to any other.

For instance, countries like Canada, New Zealand, Cambodia, East Africa, Mauritius, Nigeria and Sweden, are desirous of getting particular varieties of Indian textiles which our mills cannot produce. I wonder why the Government does not insist on the mills to produce varieties of cotton textiles which those countries want of us. Why the Government is ready to impose an excise duty on the cotton fabrics and textiles, the standardised varieties of which neither the handloom industry can produce at a reasonable price nor can we get them in the market otherwise? Therefore, as Shri T. K. Chaudhuri has stated very rightly, this is a negative measure. It seeks to attain next to nothing. It merely wants to penalise consumers for the default of the textile industry as a whole. Neither it is going to benefit or better the lot of the handloom weavers about whom so much of concern has been expressed in this House. With these words, I am constrained to say that I am opposed to the very principles of this Bill because these are partial and negative measures which are going to achieve nothing.

Shri Warior (Trichur): Mr. Deputy-Speaker, the Minister, in introducing this Bill, said that there is some sort

of contradiction. In reading through this Bill and the material available, I was rather confused. So, I thought that the confusion is going to be mitigated. But when the Minister said that there is a contradiction involved in this Bill, then I am saved, and I am happy that I am not alone, a confused person.

Mr. Deputy-Speaker: You are in company.

Shri Warior: Yes; I am in his company! Now, what is the object of the Bill and what is the object of the new imposition of the excise duty as a penalising measure? The object obviously is to encourage export. What was the effect of the imposition of this excise duty before? We must begin from there, and then only we know the progress we have made in the production of cloth and what we have been doing in the matter of this imposition of excise duty on cotton textiles which then also meant enhancing export. At that time also, the export objective was before the Ministry and the Government, when the excise duty was imposed. So, there is a history behind it.

Reading through the report of the Cotton Textiles Mill-owners' Association for 1955-56, I find that the Chairman observed as follows:

"Turning to the incidence of the new duties, the Chairman said that it was unlikely that the consumer would be able to bear any part of the burden and in fact it was doubtful whether he would be able to bear even the existing duty. The price of all farm produce has gone down considerably during the current year and although the crops themselves might have been slightly larger than in 1953, the increase in the crops is in no way compensated for the reduction of the price"

The main contention against the imposition of an excise duty on cotton fabrics is that it directly goes to increase the price of a major consumer goods

of the people of the land. When we consider this, that it is a major item of consumption and the major item of expenditure in the daily family budget of the 36 or 40 crores of people in the country, this tax is a burden. That is the main thing. That is going against the principle of the imposition of an excise duty of this nature.

But the Finance Minister, sometime back here in this House said, when Shri Mohamed Imam from Mysore stood up and asked why the prices are going up, that the prices have not gone up and that what Shri Mohamed Imam said was not true. The main consideration, whether the statistics show really a price increase or not is not the thing to be gone into, because, it will take some more time for us to rely upon the Indian statistics and on the correct figures shown by them. We are only in the beginning stage of making statistics, I believe. In fact, in practice and in reality, this thing is tested when you go to the market and purchase cotton fabrics. Then you feel that you have been charged something more. That is the only thing. Statistics may prove otherwise. I do not know. But actually the people feel that the price of cotton fabrics has gone up. That is their practical knowledge about it and that is their experience.

The Chairman of the Mill-owners' Association, after briefly stating all the facts and figures, concludes thus:

"In the circumstances, it was open to doubt whether the offtake of cloth could be maintained at the existing levels if no extra excise duty is levied".

By this, he has also placed before the public and his own associates that the Bombay cotton textile industry especially is much affected by this excise duty. In fact, the cotton textile industry is in a confused state, so to say. We cannot clearly infer what exactly is the position; because I come to that later and I will explain then. The Chairman of the Association pleads in this way:

"The trading results of 1952-53 and 1953-54 disclose deficits to the

tune of Rs. 1½ crores each year. The industry in Bombay alone would bear a further burden of nearly Rs. 5 crores on the basis of estimates given by him or Rs. 3 crores as estimated by our Finance Minister".

That was his statement last time, in 1955-56 report.

Again, in the statement issued by the Association at the same time, it is also remarked:

"If the duty is passed on to the consumer, it will mean hardship particularly to the agriculturists and the lower class community who constitute 80 per cent. of the population. On the other hand, if the mill industries are unable to increase the price proportionately, many mills will find it extremely difficult to keep going. The result of any reduction in the offtake of cloth is bound to hit the farmer again in the shape of reduced price of the offtake of cotton and may even result in unemployment in the industry".

As a result of these submissions from the Mill-owners' Association, I believe, quite rightly the Finance Minister announced in April, 1956, a reclassification of the varieties and a reduction of excise duties. What was the effect of that? Formerly there was a classification. Then they changed it into 3 classes. Now again the old classification has been restored, namely, four classes—coarse, medium, fine and super-fine. The Minister gave the reduction more on the fine and super-fine varieties, thereby keeping the excise duty on the coarse and medium varieties in tact.

I believe that the coarse and medium varieties are the real needs of the majority of our people. They want coarse and medium varieties and not the fine or super-fine varieties. According to the mill-owners' report, the total production in India is as follows, in million yards: Coarse variety—509; medium variety—3,636; fine variety—463 and super-fine variety—336. From

[Shri Warrior]

these figures, we see that the majority of the people use only the coarse and medium variety, because their purchasing capacity will be sufficient for that much only and not for the finer varieties.

The object of the Bill is said to be encouragement of export. If the object is simply to levy an additional excise duty and get so much more money into the coffers of the Government, I have no objection on that ground; the objection may come in some other form, that is another thing. As it is, if the objective of the Bill is to encourage export, then the nature of the export market, our traditional markets in the East and West, has to be seen. I understand from export reports that in these markets also, they demand coarse and medium varieties more than fine and super-fine varieties. There is mention about the competition from Hong Kong, Russia and China. I have seen that in the report of the Textile Enquiry Commission. But I believe it is not so much this competition alone. There may be competition and it is to be expected in foreign markets. But it is partly because they do not get the varieties they want in their markets for their own common people, whose purchasing capacity is not much above that of our Indian people. Naturally, they also expect to get coarse and medium varieties. But, because there is no centralised policy of production in the textile industry, because of the anarchy of production in the textile industry, because there is no planned production in the textile industry here, we are not able to export enough coarse and medium varieties.

It is an alarming situation: I do not minimise the impact of that on our foreign exchange, because from Rs. 38 crores, it has dwindled down to somewhere about Rs. 30 crores. It is in the interest of this country and for earning foreign exchange, that export must be encouraged. But the method adopted for that is the bullet which hits the consumer in this land. Why should the Government be so confused in this affair? I cannot understand why the

Government should not have a straight policy in this matter, a policy framed in consultation with the interests concerned in the textile industry and those who are engaged as labourers and workmen in that industry.

There is another contention here about which I must speak. The Textile Enquiry Commission has said that the *per capita* consumption has increased from 16 yards to 18 yards. Those gentlemen on that Commission prophesied that the consumption of 18 yards *per capita* would be reached only in 1961, i.e., by the end of the second Plan period. But unhappily or unluckily or unfortunately, it has been reached in 1957 itself. The Government thinks this is an alarming situation. Mr. Mahanty has said that our *per capita* consumption is so poor; it is only 5 lbs. whereas in the United Kingdom it is 30 or more. In so many western countries, it is many times more

Does the Government want our people to go back to the old times, the pre-1939 period and have only 10 or 12 yards, or to the war period, when it was only 13 or 14 yards? Is that the idea of the Government? If that is the idea, we must be told about it. If the internal market is rising, if our people are consuming more of cloth, that means that our people are not so half-naked as Miss Catherine Mayo mentioned in her despicable book. If our people want to have a decent standard of clothing, can the Government go against it? Is that the wish of our Government? We are happy that now at least our people are having a purchasing capacity of 18 yards. That is the position really and we want to increase it. If we are to be good and faithful to our own people, we want our people to have more cloth and walk about decently dressed. But the Government is alarmed and it wants to curtail this consumption. That is one edge of the sword. They want to huge or luxurious. It is not so. If curtail it as if the consumption is so the Government has got that idea, I am very strongly against it.

I do not doubt the veracity or correctness of this figure of 18 yards. Not that, but it passes my comprehension, because it is stated that all the cash crops of the agriculturists are now fetching only lesser prices. That means the purchasing capacity is going down. As for the working class, their purchasing capacity is naturally going down. This is so not only with all the working class, but all those employed as workers. The living cost of index is 440 points. But at the same time, the real income has not increased so much. Naturally, the relationship between the real income of the workers and the living cost has widened. Their purchasing capacity has gone down. When the marketing value of the cash crops of the agriculturists has gone down, naturally the purchasing capacity of the poor peasants and the agricultural labourers goes down. When the relationship between the real income and the living cost is widened, workers' capacity goes down. That is the dilemma in which we are placed. How is it possible that in the case of 80 per cent of the people, who are the major consumers, the majority of whom are workmen and villagers, their capacity is going up so as to purchase more cloth and how is it that the per capita consumption has increased from 16 yards to 18 yards? That passes my comprehension. I think Government will have sufficient answers for them or sufficient figures for them.

There is another point also I want to make before I conclude my submissions. The mill-owners are not, I think, so much worried about this industry. I had a casual look at the papers; I did not get much time; I casually looked at the financial magazines obtainable here. When I looked into them, I found that two or three mills—I can point out the names if you want—have made profits—huge profits. For instance, the Mettur Industries in the south have declared a dividend of 42 per cent of their paid up share value. Ashoka Mills 30 per cent, Ambika Mills 60 per cent on the actual original paid up share value. Take the Bombay Dyeing and manufacturing....

Shri A. C. Guha: Is it the dividend declared in one year or the total dividend paid so far.

Shri Warrior: Declared in 1956. This is given in Commerce. The hon. Member can refer to that. The Bombay Dyeing and Manufacturing Co., has declared 100 per cent., that is, the original share value is Rs. 25. There may be a new value, the market value. For instance, the bonus shares may be added and it may be swelled and inflated. Or, the stock exchange may be appreciating it and giving more value. That is not the question.

Shri A. C. Guha: Wherefrom is the hon. Member reading these figures?

Shri Warrior: Given in all the financial statistics. Here in the Camp Library, you can get *Commerce* or *Capital* or *Eastern Economist*. I have taken it from the *Commerce*. If the hon. Member is interested, he can refer. What I mean is, Rs. 25 was the original paid up share. For this, a profit of Rs. 25 means 100 per cent.

An Hon. Member: What is the share value today?

Shri Warrior: There are so many things. I am not going into all that. It may be inflated. Somebody wants to bank upon or corner it. Or they do some other tricks. There is so much gambling going on. I am not going into all that. It is difficult for me to explain all that. It may be Rs. 200 or 250. A deferred share of Tatas may have cost Rs. 25. Today it may fetch Rs. 1,380 or more. What of that? Suppose I am a shareholder. I get a share and keep it in my box. I get Rs. 25 this year. That means 100 per cent. There are so many things. I do not want to go into all that. Nor have I got them here.

In the same breath, I want to remind that some of the textile mills are also closing down. I have read somewhere—I do not remember where—I have read somewhere that cloth production has reached the saturation point here. If that is a fact, that must be reckoned with. Because, we find, at the same time, the Sholapur Mills are closing. In

[Shri Warrior]

Bombay, some of the mills are closing. In my own area, Sitaram Mills, which employed 1,200 men, had closed. Another mill employing 800 men had also closed. In some places, mills are closing. In other places mills are making huge profits. This complex or confusing phenomenon in the textile industry is there.

What I mean to say is this. Our industrialist Member, Shri Somani, threw up a challenge, "take up the Sholapur mills". The Kerala Government has taken two mills and it is working them profitably. The profits shown by many mills may not be the real profit, may not be actual honest profit. We know how the mills are worked, how the balance sheets are prepared, how profit and loss accounts are manipulated, how the shareholders are duped, how the workers are humbugged. We all know these things. But, actually is it the saturation point that we have reached in the mills? Is it on account of that that textile mills are one by one closing down? Then, all the arguments adduced in support of this Bill are wrong, I submit very humbly.

Finally, I want to conclude with one submission. If the Government wants to export more cloth, the first thing they must do is, there must be a centralised plan of production. Finer varieties are produced as much as coarser varieties. Only very rich people can afford to purchase finer varieties. They are not doing that. With regard to surplus also, I have some figures here:—

Coarse variety, export,	185 mil. yds.
Medium variety, export	634 mil. yds.
Fine variety, export,	78 mil. yds.
Superfine variety, export,	24 mil. yds.,
a very meagre and small amount.	

When balances after export are struck, you will find that the coarser and medium varieties are much less than the exportable, dutiable balances, I think. The coarse, medium, fine and superfine varieties are respectively. 324, 2052, 285 and 212 million yards. Coarse variety is only 324 million yards dutiable. That is for export. When that is so, what is the position

of the fine variety? It is 385 million yards. This is the position. Nobody wants fine and superfine varieties. Government is willing to give excise duty concessions in order to make more exports. We want more coarser varieties and medium varieties. For that, we must reduce the duty on coarser varieties, and put this burden on the fine and superfine varieties.

Another point I want to make in this. I find that there is so much disparity between British imports and non-British imports.

Mr. Deputy-Speaker: The hon. Member has twice concluded.

Shri Warrior: I am concluding my submission. The subject is so wide.

Mr. Deputy-Speaker: He has closed his papers twice and he has re-opened. I am afraid he will have to conclude.

Shri Warrior: A suitable machinery must be created to check up the entire working of this vast industry. That is one suggestion. Profits also must be controlled. The prices also must be brought to the level of the purchasing capacity of our people, so that, these prices at the same time, will be able to meet foreign competition in our traditional markets. For that also, there is no policy. That is my contention. That is my humble submission. There is no clear-cut policy of export and internal consumption with the Government. Out of its confusion, out of its own contradiction, as the Minister was willing to tell us, the Government has imposed this duty. This, I fear, will only go against our own people, our own poor people who are now able to purchase a few yards of cloth, and dress themselves. This would increase the prices to the detriment of internal consumers. I think that this Bill must be revised and I appeal to the Government to revise this Bill.

14:39 hrs.

Shri A. C. Gaha: Sir, I do not like to take much of the time of the House.

Mr. Deputy-Speaker: I shall be grateful.

Shri A. C. Guha: It is good that our textile goods are now being exported and we may stand the second or third exporter of textile goods. That is a welcome thing, and we should all try to encourage exports. This Bill is also intended to encourage exports.

The difficulty is that internal consumption has gone up. It is not a question of asking our people to go back to nature or the 1939 stage as some members have apprehended, but really we have to take into consideration the production before we can allow internal consumption, and we should also take into consideration the necessity of exporting textile goods. From that point of view I generally support the proposal to increase the productive capacity of the mills by 350 million yards.

Some apprehensions have been expressed about the handloom industry. I think this Bill does not as such affect the handloom industry. That was more the case with the previous Bill. This Bill is particularly intended to foster exports and also increase our production. But I have my own doubts about this penalty clause.

As I have stated in the case of the other Bill, I do not like this method of issuing some directive by Government or passing a law by this House and then allowing the business community to *infringe* the provisions of the law or the Government directive simply by paying a small penalty. Apart from the ethical point of view, from the social point of view also, I consider this method somewhat reprehensible. It encourages the psychology of breaking the Government orders, of infringing Government orders and of violating the provisions of this Bill. This is an insult to this House. The Act is passed by this House, and at the same time we say: well, you can *infringe* the orders passed under this Act provided you pay a certain penalty.

If the Government feels that a certain quota has to be fixed out of this 350 million yards, or out of the total production of the cotton mills, for export, I think the Government should strictly adhere to that and should not make it in any way flexible for the industry to violate the Government order, to infringe the underlying principle of the Act passed by this House. I still request the hon. Minister to consider this Bill from that point of view.

Whenever the Government finds it necessary to increase the quota for internal consumption, they can do it by a Gazette notification or by issuing some directions, but I do not like this backdoor method of allowing the trade and industry to violate the underlying principles of the Act passed by this House.

I have nothing much more to say. I wish only to refer to some remarks made by some hon. Members. As I have stated I am a critic of this Bill. I consider this to be a wrong measure from the ethical and social points of view, but still certain remarks made by some Members may not be quite correct. Some chamber of Commerce thanking the Government for certain measures does not mean that the Government has been acting according to the wishes of that chamber of Commerce. The Government has been trying to foster industries. So, the chambers of commerce of the different regions and the Federation of Chambers of Commerce and Industry should be thankful to Government for the measures taken in general. I think that should not be construed to mean that the Government have been doing something just to please them or to satisfy them or acting according to their dictates and wishes.

With these remarks I conclude, but I again wish to say that this penalty provision in the Bill is not justifiable from any point of view. It does not give us any revenue, we may get a paltry sum, and it adds to administrative difficulties. When I say that it adds to administrative difficulties, I

Pandit Thakur Das Bhargava: Sir, say so with some personal experience. It also generates a bad social psychology which the Government should not encourage.

Shri Naushir Bharucha (East Khandesh): In the Statement of Objects and Reasons certain facts have been mentioned and I should like to ask the hon. Minister in charge as to how these facts have crept in. It has been stated that increase in production has not kept pace with the increase in demand. May I tell him that according to the statistics from the Millowners' Association nearly 500,000 bales of cloth are in stock with the mills in their godowns, which have either not been sold or not taken delivery of.

Sir, There is a rival speech along with mine in the House.

Mr. Deputy-Speaker: I am very sorry to note that. Order, order.

Shri Naushir Bharucha: I should therefore, like to know how these facts can be reconciled. Even the hon. Minister Shri Manubhai Shah stated that the accumulated stock of cloth was over 300,000 bales. Therefore, this statement requires to be clarified.

So far as the scheme of the Bill is concerned, the mills are also recognised in groups, and clause 3 provides for fixing the export quota of each mill or group of mills and lays down certain criteria for fixing such quota. These quotas are fixed in relation to a particular relevant period which the mill owner is left to choose, and naturally the mill owner will choose the year that is most favourable to him.

The criteria for fixing the quotas are the quantity of cotton fabrics exported during the relevant period and the quantity normally expected to be produced by new looms installed since February 1957. There is also provision for varying such quota. Clause 4 provides for the levy of an additional excise duty.

Two points arise. What is it exactly that the Government desire to achieve by this Bill? What is the principle underlying it? Do Government want the maximum exports in which case why a floor figure has been prescribed for production by mills, no mill being permitted to short-fall below this, in which case also the ceiling of 350 million yards fixed for exports becomes illogical. Or is it the intention of Government that the particular overall export quota should not be exceeded in which case why penalise the millowners for short falls?

It is not very clear as to what is it that the Government want to do. If they want to encourage exports, then why do they fix 350 million yards as the upper limit? If they want to discourage them, why penalise the millowners for the shortfall? It is true the hon. Minister said that this Bill is contradictory. It is not only contradictory; it is illogical. The Government must make up their mind whether they want to encourage or discourage exports. If they want to encourage exports, they should not put the ceiling of 350 million yards. If they want to discourage exports, then let them not punish the millowners.

Under clause 4, what is the penalty for breaking the laws? An additional excise duty. It is in addition to the prevailing duty—a penal duty. What will actually happen is this. No millowner will be fool enough to break the law unless it pays him to do so. He will calculate first the cost of producing the cloth, the cost of the excise duty plus the penalties—all of which can be passed on to the consumer. He is not such a fool as to break the law if it does not pay. And enough loopholes have been left in the Bill to induce him to break the law and produce the excess.

I submit the Government should make up their mind as to what they want to do and accordingly the Bill should be altered.

भी जाधव (मालेगाव) : डिप्टी स्पीकर साहब, जैसा कि मैं ने धोतीज ऐंडीशनल एक्सचेंज इयूटी प्रमोशन बिल के वक्त कहा था, हम को इस बिल की तरफ भी उसी नजरिये से देखना चाहिये। आज हम ज्यादा एक्सपोर्ट बढ़ाना चाहते हैं। उसके लिये कोई बिल लाने की आवश्यकता नहीं है। मुझे मालूम है कि एक्सपोर्ट के लिये भी हमारे पास काफी कपड़ा है। १९६०-६१ तक हमारा जो एक्सपोर्ट का टारजेट है उस टारजेट तक हम बराबर पहुंच सकते हैं। लेकिन जिन के लिये ये सहूलियतें दी जा रही हैं उन का बरताव क्या रहा है। मैं ने आज सबेरे एक पम्फलेट पढ़ा है। उस में यह लिखा है :

"An artificial crisis was created and it was argued that at no time in the history had stocks of cloth with mills been so low".

यह गये साल में कहा गया और इस साल में यह कहा जाता है :

"and the trade is now complaining of stocks accumulating".

और अभी करीब करीब पांच लाख ब्रेलस हमारे पास हैं ऐसा सोमानी जी ने अपने भाषण में कहा था। जो ३५ करोड़ गज कपड़ा हम और एक्सपोर्ट के वास्ते चाहते हैं वह आटोमैटिक लूम से पैदा किया जायेगा। हमने जो पंचवर्षीय योजना बनाई है उसे बनाते वक्त हमारे सामने क्या मकसद था ? हम चाहते थे कि हिन्दुस्तान में जो बेकारी बढ़ रही है उस को खत्म करने के वास्ते हमें ज्यादा से ज्यादा लोगों को काम देना पड़ेगा और इस बारे में सेकंड फाइव थ्रीयर प्लान फार खादी एंड विलेज इंडस्ट्रीज ने कहा है :

"In the context of widespread growing unemployment, a programme of technical advance which displaces such a large number of persons without providing alter-

native jobs for them, can hardly be seriously considered for the purpose of the Second Five Year Plan, the central objective of which is to create employment opportunities to the maximum extent possible".

जो हम यहां ३५ करोड़ गज कपड़ा तैयार करने वाले हैं वह आटोमैटिक लूम से तैयार होगा। मुझे मालूम हुआ है कि आज हिन्दुस्तान में करीब करीब ९ मिल्स के शॉट्स में आटोमैटिक लूम चल रहे हैं। स्वदेशी मिल के बारे में मुझे मालूम हुआ है कि एक आदमी २२ लूम चला सकता है। अगर हम १८ हजार आटोमैटिक लूम की इजाजत दें तो केवल ९०० आदमियों को काम मिलेगा। अगर हमारे पास अपनी अन्दरूनी जरूरत को पूरा करने के बाद एक्सपोर्ट के लिये कपड़ा काफी नहीं है तो हम को आहिस्ता आहिस्ता डिस्ट्रीलाइजेशन की तरफ जाना चाहिये। क्यों न हम इतना कपड़ा पैदा करने का काम सैमी आटोमैटिक लूम और पावर लूम को दें। टेक्सटाइल एन्वयरी कमेटी ने कहा था कि ५००० मिलियन गज से ज्यादा कपड़ा मिल सेक्टर को नहीं पैदा करना चाहिये। सैकिंड फाइव थ्रीयर प्लान में भी ऐसा कहा गया था लेकिन बातें बदलती हैं, हर दफा बातें बदलती हैं और हमारे जो राज्यकर्ता हैं उन की नीति बराबर बदलती है।

बारांगनंब नृपनिती अनेक रूपा।

तो सरकार अनेक रूप बनाती रहती है। अगर मिल सेक्टर के लोगों में जायेंगे तो हमारे मान्यवर मंत्री बोलेंगे कि हम को इंडस्ट्रियलाइजेशन करना चाहिये और प्रोडक्शन बढ़ाना चाहिये। अम्बर चर्खा वाले जायेंगे तो वैसी बात कह देंगे। हमें उम्मीद थी कि हम इस साल ३० मिलियन गज कपड़ा तैयार करेंगे और आहिस्ता आहिस्ता १९६१ तक हमें १५० करोड़ गज कपड़ा अम्बर चर्खा और खादी का तैयार करना है और ट्रेडिशनल खादी का ५० मिलियन गज

[श्री आश्व]]

तैयार करना है। लेकिन आज तक अम्बर चरखे की और ट्रेडीशनल खादी हम ३ करोड़ गज से ज्यादा तैयार नहीं कर सके। खादी के बारे में मैंने सबाल पूछा था कि गवर्नमेंट ने खादी को कितनी सबसिडी दी है, गवर्नमेंट ने कितनी खादी खरीदी है। करीब करीब ६७ लाख की खादी गये साल में हमारी गवर्नमेंट ने खरीदी; तो यह क्यों हो रहा है। आप देहात में जायेंगे तो आप को मालूम होगा कि जो एक गरीब किसान है वह खादी खरीद नहीं सकता क्योंकि जो तीन करोड़ गज कपड़ा तैयार हुआ है उस का जब हिस्साब लगाया जाता है तो यह मालूम होता है कि उस का दाम औसत में १ रुपया १२ आने गज होता है। जिस की आमदनी बहुत कम है और जिस की खरीदने की ताकत बढ़ी नहीं है वह उसे कैसे खरीद सकता है। उत्पादन बढ़ा है लेकिन उस की खरीद करने की ताकत तो स्टैटिक है। तो हम को यह तरीका बदलना होगा।

15 hrs.

आज हम चाहते हैं कि जिस के पास ज्यादा जमीन है उसे आहिस्ता आहिस्ता भूदान करना चाहिए। मैं ऐसा कहना चाहूंगा कि हमारे हिन्दुस्तान में करीब करीब चार सौ मिलें काम कर रही हैं, उन में से, जैसाकि अभी वारियर साहब ने बतलाया, कुछ मिलें बन्द हुई हैं। १६ मिलें बन्द हो चुकी हैं। अगर वे अनइकानामिक होने की वजह से बन्द हुई हैं तो मैं कहूंगा कि उन मिलों को फिर चलाने की गवर्नमेंट इजाजत न दे, उन मिलों में जो लोग काम करते थे और जो बेकार हो गये हैं उन को बे लूम दे दे, मुफ्त में नहीं लेकिन उन से आहिस्ता आहिस्ता पैसा वसूल किया जा सकता है। इस तरह से डिसेटलाइजेशन होता जायेगा। इस की तरफ हम कदम उठाना पड़ेगा। इस बारे में हमें यह भी देखना पड़ेगा कि हमारी अन्दरूनी उन्नति क्या है। और सिद्ध करत ही हैं, श्री आदमी कितना

कपड़ा पैदा होता है, केवल यह देखने के काम नहीं चलेगा। हम को यह भी देखना होगा कि श्री आदमी कितना कपड़ा खरीद सकता है। हमारी आज की हैसियत क्या है? आज कितने ऐसे आदमी हैं, जोकि १६ गज या १८ गज श्री आदमी के हिस्सा से कपड़ा खरीद सकते हैं। कपड़ा बढ़ रहा है, लेकिन हम नंगे हैं, हमें काफ़ी कपड़ा मिलता नहीं है। इस अवस्था में कहने वाले तो यह कहेंगे कि तुम नंगे नहीं हो, दिम्बर हो, तुम्हारे चारों तरफ़ दिशायें हैं, वही तुम्हारे कपड़े हैं। आज हमारी यह हालत है। मुझे यह देख कर बहुत दुःख होता है कि हमारे रगा साहब को कानूनगो कमेटी की सिफारिश पर बड़ा दुःख होता है और वह पावरलूम सैक्टर और सेमी-आटोमैटिक लूम सैक्टर के खिलाफ़ बोलते हैं, लेकिन वह मिल सैक्टर के खिलाफ़ बोलने के लिये तैयार नहीं हैं, जोकि वास्तव में हिन्दुस्तान की सनभ्रत को मारने वाला है। जब हम लोग जेल में जाते थे और वहा पेट दुखता था, तो आयोडीन लगाई जाती थी। वैसी ही बात आज भी हो रही है। अगर आप यह चाहते हैं कि ज्यादा लोगों को काम मिले, बेकारी खत्म हो, तो आप को डी-सेटलाइजेशन करना पड़ेगा। क्यों? क्या हम चाहते हैं कि एक आदमी—एक बुनकर—अपनी रोज-मर्रा की ज़िन्दगी के लिये जो कुछ भी लगता है, वह लगातार घाठ घंटे काम करता रहे और पुरानी बातों से झगड़ता रहे? क्यों नहीं हम यह चाहते कि आहिस्ता आहिस्ता उस की स्थिति में तरक्की हो। मैं यह कहना चाहता हूँ कि जो कोटा हम ने तय किया था, वह कोटा बढ़ रहा है। माननीय मंत्री, श्री मनुभाई शाह, ने मुझे बताया था कि ५,००० मिलियन गज कपड़ा तैयार करने का जो कोटा मिल सैक्टर के लिये रखा गया था, वह कोई तयबुदा बात नहीं थी, उस में बदल भी हो सकता है। लेकिन मैं यह नहीं समझता। आप को इस

बारे में एक फ़िक्स्ड पालिसी बनानी पड़ेगी। अगर आप इस तरह बदलते जायेंगे, तो काम नहीं चल सकता है। अगर हम अम्बर चर्खों को तरक्की देना चाहते हैं, तो खादी का उत्पादन ज्यादा बढ़े और एक साधारण से भी साधारण आदमी उस को खरीद सके। आप वह खादी नहीं खरीद सकता है। कांग्रेस को मानने वाले जो लोग हैं, वे खरीद सकते हैं—बूँकि उन को खरीदना पड़ता है, इसलिये वे खरीद सकते हैं। आज एक साधारण आदमी खादी या हंडलूम के कपड़े को नहीं खरीद सकता है, क्योंकि मिल मैक्टर में जो कपड़ा पैदा होता है, दूसरे कपड़ों से उस को कीमत कम्पैरेटिवली कम हांता है और टिकने में भी वह कपड़ा ज्यादा अच्छा होता है। इसलिये साधारण किसान, साधारण आदमी मिल का सस्ता कपड़ा लेने की कोशिश करता है और इसी कारण इस सनभ्रत को मारने वाला वास्तव में मिल मैक्टर ही है। मिल मैक्टर के लोगों ने बहुत पैसा कमा लिया है। उन का गवर्नमेंट से नान-को-आपरेशन है। जनता नान-को-आपरेशन नहीं कर रही है। जो गवर्नमेंट से नान-को-आपरेशन कर रहे हैं, जिन पैसे कमाने वालों की इनकम-टैक्स की स्लैब बहुत बढ़ रही है, जो ज्यादा मांगना चाहते हैं, वही इस सनभ्रत को मारने वाले हैं, अगर हम इस बात को समझने की कोशिश करेंगे तो इस बारे में हम को बहुत लाभ होगा।

जहाँ तक फ़िगर्ज का सम्बन्ध है, हमारे महन्ती साहब ने पूछा कि हंडलूम का सनभ्रत में कितने लोगों को काम मिलता है, कितने लोग उस में काम कर रहे हैं। इस बारे में हमारा जो तरीका रहा है, वह अजीब है। टेक्स्टाइल एन्क्वायरी कमेटी ने भन्दाजा लगाया कि हिन्दुस्तान में बीस लाख हाथ-करचे हैं, लेकिन जो एक्टिव हाथकरचे हैं, वे बारह लाख से ज्यादा नहीं हैं। करीब करीब चार हंडलूम के पीछे पांच आदमियों को काम मिलता है, तो इस प्रकार पन्द्रह लाख लोगों को काम मिल गया। लेकिन जब पांच-

साला योजना बनाई गई, तो यह तादाय बहुत बढ़ गई। ऐसा समझा गया कि पच्चीस लाख लूम एक्टिव हैं और दो लूम के पीछे तीन आदमियों को काम मिलता है, यह समझा गया कि वह तादाद साढ़े सैंतीस लाख हो गई। जिस प्रकार मासति की दुम बढ़ती है, वैसे ही ये फ़िगर्ज बढ़ती गई। इस बारे में हम को बराबर यह जानने की कोशिश करनी चाहिये कि इस सनभ्रत में काम करने वाले लोग कितने हैं—कितने लोगों को सही रूप में इस में काम मिलता है।

वह बिल 'एक्सपोर्ट' के नाम से लाया गया है। मैं यह कहना चाहता हूँ कि इन को पैतिस करोड़ गज कपड़ा तैयार करने की इजाजत नहीं देनी चाहिये। अगर हमने ज्यादा एक्सपोर्ट करना है, तो जो कपड़ा आज पैदा होता है, उस क्वांटिटी में से इन को दे दिया जाय कि जितना वह चाहें करें, लेकिन इधर हंडलूम को, चर्खों को, पावरलूम को और सैमी-आटोमैटिक लूम को तरक्की दी जाय और उन के पीछे चला जाय। सैकंड फाइव यीअर प्लान की जो जड़ है, उस का जो प्रिंसिपल है, उस के खिलाफ मिल मैक्टर ने बहुत जोर से आवाज उठाई और कहा कि वह यह नहीं चाहते कि इन सनभ्रत को—वह चाहे हंडलूम हो, पावरलूम हो या अम्बर चर्खा हो—तरक्की मिले। इसके बारे में हमें तय करना पड़ेगा। इस के लिये जरूर फिर एक कमेटी चुनी जाय, चाहे उस में हमारे रंगा साहब को रखा जाय। श्री कानूनगो को हम पेशन दे देंगे। अन्त में मैं यह कहना चाहूंगा कि हमें इस बारे में बराबर तहकीकात करनी चाहिये और एक तयशुदा पालिसी सामने लानी चाहिये, जिस से हमारे हिन्दुस्तान के लोगों का मुस्तकबिल अच्छा हो।

Shri Ranga: I wish to offer a personal explanation. I want to apologize to the House as well as to my hon. friend, Shri Kanungo for the harsh things which I never thought that I would ever say at all but which escaped from my lips. I

[Shri Ranga]

am extremely sorry and I would request your permission to withdraw them.

Shri A. C. Guha: They have been deleted.

Shri Ranga: Apart from deletion, a senior Member like me should not have allowed himself to say such things. Therefore, I wish to express my regret and I am glad that.....

Mr. Deputy-Speaker: There was some motion or some suggestion that these remarks may be removed. Perhaps, they were removed. The Minister had expressed sorrow at what had escaped from his lips and Shri Ranga had not done that at that time. He is doing it now. Perhaps, the remarks have been expunged already.

Shri Shankaralaya: I want to say a few words.....

Mr. Deputy-Speaker: There is no time. I have already spent all the time that we had for all the stages of the discussion.

Shri Shankaralaya (Mysore): I wish to say something on behalf of the weavers.

Mr. Deputy-Speaker: I had no impression that weavers had not been represented. Otherwise, I would have accommodated the hon. Member.

Shri Kanungo: Sir, at the outset, I must apologize to you and through you to Prof. Ranga for anything that I might have said. As a matter of fact, my personal relations with Shri Ranga are such that he is at liberty to tell me anything.....

An Hon. Member: Outside the House.

Shri Kanungo:..outside the House.

My task has been made very easy by the very lucid and clear exposition of the problems by my hon. friend opposite, Shri T. K. Chaudhuri. I do

not want to burden the records by a repetition of those things.

The plain fact which stares us in the face is that we are going to lose the entire export market which we had obtained by the adventitious circumstances of the last War unless we are able to offer goods at prices which will be acceptable to the world and of a quality which can compete with others. Shri Chaudhuri has also mentioned, and some other speakers also, that as long as the internal market offers attractive prices, manufacturers and trade will not be inclined to explore the export markets and make efforts for that. The logical conclusion is that if the internal supply could be available at lower prices—and it could be available of lower prices if you increase the installed capacity—if the freezing of installed capacity is removed. Once it is done it is possible that internal prices may come down. In those circumstances, the inducement for export may be greater. Why that cannot be done is another matter. From Shri Jadhav's contention it flows that if adequate quantity is available, we can expand our export markets; it is not an assessment of the whole situation. Apart from the price factor, the technique of production has advanced in other countries and unless we adopt similar techniques or, at any rate, our end product is of the quality comparable to others, we do not have a chance of retaining our markets.

The internal markets have to be regulated because of factors which are known to everybody. I confess that, to a certain extent, there are contradictions in our policy. At a certain stage in the economic history of every nation, it has to take pragmatic decisions which may offend the economic laws of the purists. So, certain amount of contradictions are inherent in the economic history which we cannot escape. If we take intelligent decisions in the transitional stage, then we progress; if we do not, we sink.

In this period, my friend, Shri Guha, objects to fiscal regulation of trade.

Shri A. C. Guha: I have never objected to fiscal regulation of trade. That control must be there. What I object is this. You have put certain restrictions. Then, again, you are putting nominal penalties so that they may violate those restrictions.

Shri Kanungo: These are fiscal regulations. We put a duty to regulate exports and imports; we put an excise duty to regulate production and sales and all that. These are fiscal measures and are to be judged by the results. We expect that when the 18,000 looms go into production, they will be so inhibited as to be diverted and channelled to exports. Then, it was asked, what is the special signification of this 350 million yards? We hope that the goods produced by these automatic looms will be such in quality that they can compete with foreign products. These are the anticipations and I hope the measures that we take would result in that.

Shri T. K. Chaudhuri said that these were not adequate. I confess. But, we have to compete with the economic organisation and economic production of more advanced countries which have made considerable progress in this industry. That is an issue which we have to face. But, I believe that we will not continue very long like that. Once we are able to get over the period of transition, we will get over that contradiction also.

Exports are a factor which do not lend themselves to regulation by any one country. Shri T. K. Chaudhuri made it clear and I entirely agree with him. Our main consideration is the stabilisation of our entire economy of which textile industry is an important part. The purpose of this legislation is to induce goods to be produced by the additional capacity and we hope they will be channelled for export. We think that this hope will be realised.

Conditions are changing and may continue to change. If they change, we will come before the House for modifying this measure.

Shri Bharucha asked: why this target of 350 million tons; why not leave it open? In this Bill nothing is mentioned. We will be only too glad, along with Shri Bharucha, if it is possible to increase our exports over 1,000 million yards not only by 350 million yards but by 3,500 million yards. But, conditions being what they are, this is the quantum that has been worked out on the basis of the production of 18,000 looms. We will be happy if we achieve that target. But, it is hedged in with so many restrictions and conditions, which are again very necessary in the present circumstances.

As Shri Chaudhuri has made it abundantly clear, once we lose our export markets, it is difficult to regain them. We have to do a little bit of tight rope walking under existing conditions. I hope that, if conditions move as we anticipate them—they are moving since September 1956 more or less not exactly as we expected—there may be an improvement in the situation. No progress, particularly industrial progress, can be arithmetically judged. If our anticipations are right then we hope that the policy will work as expected. If they don't, then we will have to take more vigorous measures.

Apart from that, as Shri T. K. Chaudhuri has mentioned, more vigorous measures are necessary, and certainly, we are taking them. But the fundamental fact is to produce goods at a cheaper price and of a quality which will compete with others. I am afraid, under the present circumstances, we are at fault. But, I hope, when the House, including Shri Ranga, realise the conditions as they are then most of the regulatory provisions will be eliminated.

Here again, my personal belief is the same as that of Shri Jadhav, that with the skill available with our

[Shri Kanungo]

weavers it is possible to produce in a decentralised way goods—may not be the best goods but quite good goods—at prices which will be attractive not only in the internal market but in the external market. But that has not yet been done, because in a democratic country it is not only the numbers that count but the conditions and factors of social justice also.

Shri P. R. Patel (Mehsana): How many years will it take?

Shri Kanungo: I wish it takes place quickly enough, but it all depends upon the bulk of our population making up their minds and I won't say obscurantist thought but, their rigid thoughts being relaxed I personally believe that it is possible to produce goods not with the highest of techniques, organisation and equipment but merely with equipment also.

Therefore, I shall not attempt to go into the many arguments which have been advanced by many of the speakers, particularly with regard to the interests of the handloom weavers, because those principles have been discussed many times here. As far as I am concerned, I look to the interests of the weavers and not to the particular tool. I am not particular about power loom, automatic loom or semi-automatic loom; I am interested in the weavers. I hope that the policies which we are following now will result in the weaver finding his own place in the economic set-up of our country

As far as this particular Bill is concerned, its limited purpose is to use fiscal measures to inhibit the tendency of the trade and manufacturers to unload the production into the internal market, and thus canalise the products to the external markets. I hope our anticipations will materialise.

Sir, with these words I commend the motion for consideration of this Bill.

Mr. Deputy-Speaker: First I shall put the motion for circulation, serial No. 15, by Shri T. K. Chaudhuri to the vote of the House.

Shri T. K. Chaudhuri: I do not press it.

The amendment was, by leave, withdrawn.

Mr. Deputy-Speaker: The question is:

"That the Bill to provide for the levy and collection in certain circumstances of an additional duty of excise on cotton fabrics issued out of mills, be taken into consideration."

The motion was adopted.

Clause 2.— (Definition)

Mr. Deputy-Speaker: We shall now take up the clause-by-clause consideration. We have discussed it sufficiently. If the hon. Members agree I shall put them to the vote of the House without much discussion. There are no amendments to clause 2. The question is

"That clause 2 stands part of the Bill."

The motion was adopted.

Clause 2 was added to the Bill.

Clause 3.— (Export Quota)

Mr. Deputy-Speaker: What are the amendments that hon. Members would like to move to this clause?

Shri P. R. Patel (Mehsana): Sir, I beg to move:

Page 2, line 12—

after "quantity" insert "not less than 25 per cent of the total production by the mill or group of mills".

Shri Jadhav: I beg to move:

(i) Page 2—

for lines 16 to 34, substitute:

"the quantity of cotton fabrics exported by such mill or group

of mills during the three years commencing on the 1st day of April, 1953, and ending with the 31st day of March, 1956."

(ii) Page 2, line 17—

(i) after "during the" insert:

"three years commencing on the 1st day of April, 1953, and ending with the 31st day of March, 1956".

(ii) omit "relevant period".

(iii) Page 2—

omit lines 35 to 39.

(iv) Page 3—

omit lines 1 to 17.

Shri A. C. Guha: Sir, I beg to move:

(i) Page 2, lines 11 and 12—

omit "or by any group of mills under a common owner".

(ii) Page 2, lines 16 and 17—

omit "or group of mills".

(iii) Page 2, line 19—

omit "or group of mills".

(iv) Page 2, lines 25 and 26—

omit "or group of mills".

(v) Page 2, line 28—

omit "or group of mills".

(vi) Page 2, lines 38 and 39—

omit "or group of mills".

Mr. Deputy-Speaker: All these amendments are before the House. Shri A. C. Guha has already spoken on his amendments.

Shri A. C. Guha: Yes, they are all seeking to delete the words "group of mills".

Shri P. B. Patel: Sir, with your permission I will say a few words about this. My submission is only that the purpose of the Bill is not going to be served unless the mills are obliged to export a certain percentage of the production. Looking at the Statement of Objects and Reasons, I

come to only one conclusion, that even though there had been increase in production by mills there had been decrease in export. The reasons given in the Statement of Objects and Reasons is that there are high prices at home and our millowners are not able to fetch the price outside as they fetch in the home market. So, naturally, if they get very good prices at home it would not be hard for them to pay six, nine or twelve naye paise per yard and sell their goods here. Therefore, the result would be that there will be increase in our production by about 350 million yards—we are going to introduce automatic looms, we are going to have improved techniques and all that, and after these are introduced there will be increase in production—and if there is no condition on the mill manufacturers that a certain quota of their production should be exported that will mean a heavy burden on the country. Therefore, my submission through my amendment is that the exports should not be less than 25 per cent of the production.

Secondly, if we do not do it, then the additional cloth will be coming in the home market and it will adversely affect our handloom industry. On one side we are trying our best to survive the home industry, we are giving subsidies and other things and, on the other side, if this additional quota is allowed to come into the home market then I think we shall be ruining our home industry.

Therefore, my submission is that the Government should consider and decide that the quota should not be less than 25 per cent of the production. The penalty clause should be such that the manufacturers may be obliged to export goods outside the country and may not sell in the country; otherwise, we do rather a favour to them, that is my impression.

Shri Kanungo: I would merely mention that by fixing quotas and permitting things to be exported and all that, we cannot force the importer

[Shri Kanungo]

in other countries to buy things. To have a flat rate of, say, 20 per cent or 25 per cent. of the production of the mills is also unrealistic because the goods have to be according to the taste and demands of the importer in other countries.

Shri P. E. Patel: They may export at any price?

Shri Kanungo: It is not so simple. As a matter of fact, where exports are concerned, we not only reduce it by 20 per cent but we insist upon the performance of 100 per cent of the present exports plus additional exports which to my mind is a very harsh thing. This being a fiscal measure, I hope it gives enough elbow-room for changing conditions—as conditions change in the internal as well as external market. The fact that we are being put out of the external market is not because we are not allowing things to be sold and not because of the international prices alone, but because the prices which our competitors are offering in the export markets are much lower than ours, compared to the qualities. So, firstly, we must improve the qualities, and secondly, we must offer the things at prices which are in competition with others. Therefore, I am not in a position to accept the amendments.

Mr. Deputy-Speaker: So, I shall now put the amendments to the vote of the House. The question is:

Page 2, line 12—

after "quantity" insert "not less than 25 per cent of the total production by the mill or group of mills".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 2—

for lines 16 to 34, substitute:

"the quantity of cotton fabrics exported by such mill or group of

mills during the three years commencing on the 1st day of April, 1953, and ending with the 31st day of March, 1956".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 2, line 17—

(i) after "during the" insert:

"three years commencing on the 1st day of April, 1953, and ending with the 31st day of March, 1956".

(ii) omit "relevant period".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 2—

omit lines 35 to 39.

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 3—

omit lines 1 to 17.

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 2, lines 11 and 12,—

omit "or by any group of mills under a common owner".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

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omit "or group of mills".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

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omit "or group of mills".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 2, lines 25 and 26—
omit "or group of mills".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 2, line 28—
omit "or group of mills".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 2, lines 38 and 39—
omit "or group of mills".

The motion was negatived.

Mr. Deputy-Speaker: The question is:

"That clause 3 stand part of the Bill".

The motion was adopted.

Clause 3 was added to the Bill.

Clauses 4, 5 and 6 were added to the Bill.

Mr. Deputy-Speaker: I now come to the Schedule.

Shri P. R. Patel: I have amendments.

Mr. Deputy-Speaker: All amendments of the hon. Member are out of order.

Shri A. C. Guha: I beg to move:

(i) Page 5—
for lines 8 to 16, substitute:

"(b) where the said quantity exceeds 5 per cent. of the export quota but does not exceed 10 per cent thereof:.....Nine naye paise per square yard."

(ii) Page 5, for lines 19 to 27, substitute:

"(i) on the quantity which does not exceed 10 per cent of the export quota.....Nine naye paise per square yard."

These are my two amendments to the Schedule.

Mr. Deputy-Speaker: I shall put them to the vote of the House.

Shri A. C. Guha: I want to speak on them for a minute.

Mr. Deputy-Speaker: He has said enough. I shall put them to the vote. The question is:

Page 5—

for lines 8 to 16, substitute:

"(b) where the said quantity exceeds 5 per cent of the export quota but does not exceed 10 per cent. thereof:..... Nine naye paise per square yard."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

Page 5—

for lines 19 to 27, substitute—

"(i) on the quantity which does not exceed 10 per cent. of the export quota.. .Nine naye paise per square yard."

The motion was negatived.

Mr. Deputy-Speaker: The question is:

"That the Schedule stand part of the Bill".

The motion was adopted.

The Schedule was added to the Bill.

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

Shri Kanungo: I beg to move:

"That the Bill be passed".

Mr. Deputy-Speaker: The question is:

"That the Bill be passed".

The motion was adopted.

MINIMUM WAGES (AMENDMENT) BILL

The Deputy Minister of Labour
(Shri Abid Ali): I beg to move:

"That the Bill further to amend the Minimum Wages Act, 1948, as passed by Rajya Sabha, be taken into consideration".

As the hon. Members would be aware, the Minimum Wages Act, 1948, requires fixation of minimum rates of wages in specified employments by a specified date. As its provisions stand today, after two amendments made in 1951 and 1954, that date expired on the 31st December, 1954. The main object of the present Bill is to extend the time limit till the end of December, 1959. We have, of course, taken this opportunity also to propose certain other amendments with a view to removing difficulties experienced in the working of the Act.

15-35 hrs.

[PANDIT THAKUR DAS BHARGAVA
in the Chair]

The Minimum Wages Act applies to employments specified in Parts I and II of the Schedule attached to it. Part I of the Schedule contains a fairly long list of employments and Part II is concerned with the employment in agriculture. The number of workers in employments specified in Part I is estimated at 17 lakhs while that in agriculture is about 3.5 crores. Wage fixation in all other employments has been practically completed

but progress in respect of agriculture has been rather unsatisfactory. While a few State Governments have fixed the minimum wages in agriculture for the whole State, the majority of them have been able only to make a beginning. Without an extension of the time-limit, Sir, they are now without any legal powers to go ahead. I am not at all happy that it should have taken us so long to fix minimum rates of wages for agricultural workers, but hon. Members will concede that wage fixation in agriculture presents special difficulties. There is, for instance, paucity of relevant data. There is illiteracy both among the employers and the employees. The employers' capacity to pay is at times limited and the size of the holdings very small. It was in view of these difficulties that the Indian Labour Conference and the Minimum Wages (Central) Advisory Board recommended in 1954, in agreement with the Planning Commission, that wage fixation in agriculture should proceed on the basis of a phased programme all areas being covered within the period of the first Five Year Plan, i.e., by the 31st March, 1956. But the State Governments had no legal powers to fix minimum wages after the 31st December, 1954. I do not suggest, Sir, that it would have been possible for them to complete the process if the powers were there. My purpose is to point out that even where it was possible, no action could be taken in the absence of Parliamentary authority and the same state of things remains today. The State Governments' determination to go ahead with wage fixation in agriculture was reiterated at a Conference of State Labour Ministers held in November, 1955.

I have already mentioned, Sir, that one of the principal handicaps in fixing minimum wages in agriculture is the lack of relevant data. We are trying to fill in this gap. We have made arrangements for collection of weekly retail prices from 3,000 villages.