

[Mr. Speaker]

necessary compensation in cash has been paid to liberate slaves from their masters. During the current year, a sum of Rs. 25,000 has been provided for this purpose. The Political Officers are authorised to pay up to Rs. 500 for the emancipation of the individual slave.

4. During 1950 and 1959, some 160 slaves have been liberated through Government efforts. There are a few hundred more slaves left in NEFA.

5. During a Conference of the senior officers of the NEFA Administration in October, 1960, decision was taken to take even more energetic steps for the liberation of the small number of slaves still left in NEFA. Some of the ways suggested were:

- (a) A slave who becomes a Government employee should be encouraged to put aside his savings regularly and himself pay for his liberation;
- (b) when a slave escapes, no efforts should be made by the Government to restore him to his owner;
- (c) when a slave is involved in a customary case, the local authorities should see that the customary decision does not strengthen the owner's hold over the slave;
- (d) when a slave-owner is involved in a customary case for which he has to pay fines, the possibility of compelling him to liberate slaves in lieu should be exploited;
- (e) when a slave-owner becomes eligible for relief from Government, it should be given on the condition that he will free one or more slaves;
- (f) in border areas refugees bringing slaves should be denied asylum unless they set them free;

(g) no one who is a slave-owner should be given any form of paid Government employment; and

(h) no one born after 15th August, 1947, should, under any circumstances, be accepted as a slave nor should the transfer of ownership of slaves after that date be accepted as legal.

6. Efforts are being made to eradicate slavery from the NEFA as soon as possible. The situation is not serious nor has the Government met with failure in ending slavery as has been stated in the adjournment motion. The process has necessarily to be slow, for it would only add to the problem if a slave is freed, without at the same time providing for his (and in many cases his masters) rehabilitation suitably.

7. The need to accelerate the process has, however, been fully realized, specially in view of developments across the border, as it would be clear from decisions recently taken in Shillong, (as summed up above).

12.08 hrs.

STATEMENT RE: CLOTH PRICES

**The Minister of Commerce and Industry (Shri Lal Bahadur Shastri):** Sir, the House is aware that as a result of discussions which had taken place between the Indian Cotton Mills Federation and the Government in August last, a scheme of voluntary price regulation was adopted by the Federation and announced with the approval of Government. Under that scheme, maximum ex-mill prices were laid down for different categories of cloth, expressed in the form of percentage increases permitted over the prices

prevailing in August 1959. The percentages prescribed were as follows:

- Coarse—25 per cent.
- Lower Maximum—22 per cent.
- Higher Medium—18 per cent.
- Fine—11½ per cent.
- Superfine—9 per cent.

Under the scheme, ex-mill prices and retail prices were to be stamped on all cloth manufactured, the retail prices being calculated on the basis of ex-mill prices plus a margin of 15 per cent for the trade. Prices were similarly laid down for different counts of yarn.

Since I made a statement three months back, the situation has eased in the sense that there has been no rise in the prices of any variety of cloth. In fact the tendency has been otherwise in the case of fine and superfine cloth, and to an extent in the higher medium also. These varieties are being sold in the market below the ceiling prices prescribed by the Indian Cotton Mills Federation. It is true, however, that in the coarse and lower medium, the impact of reduction is not the same as in other varieties and especially in the rural areas.

The wholesalers and retailers have felt dissatisfied over the margin of 15 per cent prescribed for the trade. I have been continuously receiving representations and deputations from them. It has resulted in the wholesalers not adequately lifting the cloth from the mills and retailers also remaining indifferent. The pipeline has not been flowing well and the stock in the mills is, therefore, on the increase and it is understood that a little less than 4 lakh bales of cloth are accumulated in different mills. This is not a very happy situation.

We have been giving thought to these matters and have held discussions with the Indian Cotton Mills Federation. I had a further talk with them during this week. The discus-

sions have been fruitful and it has been decided to take the following steps.

The Federation has agreed to reduce the prices further. The revised prices, expressed in percentage increases over the prices prevailing in August, 1959 will be as follows: coarse, 20 per cent; lower medium, 17 per cent; higher medium 13 per cent; fine, 8½ per cent; and superfine, six per cent. The revised prices reflect a reduction of five points in the prices of coarse, lower medium and higher medium categories and of three points in the prices of fine and superfine categories over the prices fixed in September. My anxiety has been to effect higher reduction in the prices of especially those fabrics which are in common use and come in the categories of coarse and lower medium. We, therefore, suggested to the Federation that in the case of selected varieties of cloth in those categories an additional reduction of three points should be made. The Federation has agreed to this. The varieties will be selected separately for each mill, jointly by the Federation and the Textile Commissioner and the total quantity of cloth covered by these selected varieties would amount to about 25 per cent of the total production. This will, I am sure, give definite relief to the large majority of the consumers.

The existing stocks of cloth with the mills would be released hereafter at the revised prices, and stocks which are unstamped at present would be stamped on the revised basis. The problem of prices can be solved on a continuing basis only by increased production and augmented supply. In the short run, an increase in the supply can be brought about only by utilising the existing productive capacity to the maximum extent. The Indian Cotton Mills Federation have agreed to request all mills to work three shifts so as to increase the production of cloth by at least ten per cent. The third shift is already operative in some mills and it will now become operative in the rest. It is expected that all the steps necessary in this

[Shri Lal Bahadur Shastri]

connection would be completed within four to six weeks. Government have no doubt that the increased quantity of cotton required for this purpose would be available to the mills. The Textile Commissioner will be keeping a continuous watch on the position of stocks of cloth with the mills, so as to make sure that the supply of cloth is keeping pace with the demand and the pipelines are not interrupted.

The co-operation of the trade is essential if the pipelines from the mills to the consumers are to operate smoothly. Government have considered the representations received from the trade in regard to the margin allowed at present over the ex-mill prices and have agreed to the increase of the margin from 15 per cent to 18 per cent.

When textile prices started rising towards the end of 1959 and the beginning of 1960, the main contributory reasons were the increase in the price of raw cotton and the upward revision of wages as a result of the implementation of the Wage Board's recommendations. Of these, the most significant factor was the increase in raw cotton prices which were directly attributable to the failure of the Indian cotton crop of 1959-60.

We have, however, been more fortunate in the current season's cotton crop compared to the last two seasons. The present estimates of the current crop are fairly good and the forecast is that we may have a crop of between 48 lakh to 50 lakh bales, as compared to last year's crop of 37 lakh bales.

The cotton has now started moving into the market and by January next a large part of the indigenous cotton would have come. Government are also continuing their efforts to augment foreign imports still further so that an adequate buffer stock could be built up. In these circumstances, production is sure to improve and increase, and it is bound to have its effect on the market and the prices.

Another important step which Government have taken is to refer the question of the fixation of fair, ex-mill and retail prices to the Tariff Commission. The main terms of reference include the determination of the cost of production of the various types of cloth and yarn, and fair ex-mill prices of cloth and yarn. In addition, the Commission has also been requested to suggest methods for effecting suitable adjustments from time to time in such prices so as to allow for major fluctuations in the price of raw cotton and other elements of cost of production. These are fairly comprehensive and the report of the Commission would help the Government in deciding on a long-range policy in regard to cloth prices and other connected matters.

As regards yarn, the prices are still under consideration but we expect that they would also be fixed in a manner which would correspond to the revised prices of cloth.

**Shri Ranga (Tenail):** May I know whether the Tariff Commission will also be requested to suggest to what extent it would be possible to bring down the prices of cotton yarn in view of the fact that Government is anxious to increase the production of cloth? In the handloom industry crores of people are employed and they are producing quite a large proportion of the total quantity of cloth that is needed in the country. The handloom weavers are also suffering now and they would like to have a suitable reduction in the prices of cotton yarn.

**Mr. Speaker:** The handloom weavers are also suffering.

**Shri Lal Bahadur Shastri:** My impression is that that aspect is included, but I am prepared to look into it further and do whatever is necessary.

**Shri Braj Raj Singh (Firozabad):** The Minister's statement reveals that the prices of coarse and medium cloth especially are 20 per cent higher than they were in August, 1959. He also

said that the cotton crop is fairly good. May I know whether the Minister is satisfied with the cut which has been recently agreed to with the Federation and, if not, what further steps he is going to take so as to keep the prices at the level of those obtaining in August, 1959 especially with respect to the medium and coarse varieties?

**Shri Lal Bahadur Shastri:** As I said, the cotton has started moving into the market now. In fact, most of the cotton comes into the market by the end of February or even till the middle of March. The expectations about the crop, as I said, seem to be quite good. Therefore, for the time being, what has been decided seems to be satisfactory. But the main point that the hon. Member has to remember is that especially in the case of the special varieties of cloth which come under the categories of coarse and lower medium and which are commonly used by the people, the reduction is more substantial. That is, it will be about eight per cent. It will then come down to 17 per cent.

**Shri Braj Raj Singh:** The Minister agreed that the increase mainly was due to the shortage of cotton supply to the mills. Now, he admits that cotton is being made available to the mills in adequate quantities and that within four weeks, the November crop shall be there and that there will be no difficulty. If, within this period—four to six weeks—the cotton is made available to the mills in adequate quantities as mentioned by him, may I know whether the Government will compel the mills to keep the prices at those rates which were prevalent in August, 1959?

**Mr. Speaker:** If conditions have eased, why do they not go back to the prices prevailing in 1959? That is the question.

**Shri Lal Bahadur Shastri:** Firstly, the conditions have not eased to that extent. Secondly, there are other reasons also for the rise in prices. As I

said, the recommendations of the Wage Board were implemented and there is a rise in wages. Thirdly, the prices of indigenous cotton are still high and those of imported cotton are much higher. So, all these factors are there. Therefore, it is not possible to bring down the prices to the August 1959 level.

**Mr. Speaker:** What hon. Members obviously want to know is, whether the hon. Minister means to say that the 20 per cent cut in the prices now will stand and there would not be any further reduction and there will be no going back to the price-level of August, 1959, notwithstanding the fact that the situation regarding cotton eases.

**Shri Lal Bahadur Shastri:** I did not say that. I have said that at present for the time being, this is the price which has been prescribed and we have agreed to that.

**Mr. Speaker:** Is there any time-limit?

**Shri Lal Bahadur Shastri:** There is no time-limit. But as I said, the chances are that as the position of cotton will ease it will have a good effect both on the market as well as on the prices. The prices are expected to go down.

**Mr. Speaker:** Does he mean that of its own accord, it will go below 20 per cent?

**Shri Lal Bahadur Shastri:** I expect so, because it will depend on the cotton position and higher production. They have agreed to increase production of the special varieties by 25 per cent. I do expect the prices should come down.

**Shri Anthony Pillai (Madras North):** The textile wage board estimated that the increase in wages would result in only a 2 per cent rise in the cloth prices. On the last occasion, they have allowed a price rise of 25 per cent.

[Shri Anthony Pillai]

Now the Minister says the cotton position has much improved and they are going to have some 50 lakh bales. Out of the 25 per cent increase in the price of cloth, 23 per cent was represented by increase in the cotton price. So, if the cotton supply eases, surely the price of cloth should come down by much more than 5 per cent as suggested by the hon. Minister.

**Shri Lal Bahadur Shastri:** It will come down by 5 per cent and in some cases by 8 per cent. As I said, the cotton position is yet to improve. The House will remember that last time when this matter was discussed in this House, Government themselves had suggested to the Cotton Mills Federation to bring down the prices to 20 per cent and not to keep it at 25 per cent. Now that 20 per cent has been agreed to. Not only 20 per cent, but 3 per cent more in the varieties which are in common use has been agreed to.

**Shri Damanj (Jalore):** For the sake of clarification, I want to ask if the qualities which are being used by the industry for the manufacture of belting products, and rubber products like cycle tyre, will be free from stamping?

**Shri Lal Bahadur Shastri:** I do not think they can be excluded.

**Shri Ranga:** May I take it that it is not the intention of the Government to further reduce the floor price for cotton, because there are already complaints that the floor price is much too low, in view of the rising prices of all commodities and inflation?

**Shri Lal Bahadur Shastri:** It is a different question altogether—floor price and ceiling prices of cotton. Anyhow, the price has been settled for this year and we cannot interfere with it at the present moment.

**Sardar Iqbal Singh (Ferozepur):** About the working of the cotton control order, may I know whether Government have received any complaints from the Punjab region that this order about requisitioning of cotton bales is going against the peasants and the peasants are suffering because of it?

**Shri Lal Bahadur Shastri:** I have not received any complaint, but if the hon. Member will bring any specific matter to my notice, I shall certainly look into it.

**श्री विभूति मिश्र (बगहा) :** मैं कामर्स एण्ड इंडस्ट्री मिनिस्टर से यह कहना चाहता हूँ कि किसान के गल्ले की प्राइस की तरह ही इंडस्ट्रियल गुड्स की भी इन्टेग्रेटेड प्राइस होनी चाहिये । ऐसा नहीं होना चाहिये कि कपड़े का दाम बढ़ जाये, तो गल्ले का दाम गिर जाये और गल्ले का दाम बढ़ जाये तो कपड़े का दाम गिर जाये । मैं चाहता हूँ कि गवर्नमेंट की कोई इंटिग्रेटेड पालिसी होनी चाहिये कि सारी चीजों का दाम एक जैसा चले और सरकार चलाये ।

**Mr. Speaker:** He wants that all the prices of all the commodities which are in use to be controlled, so that there may be uniformity. (*Interruption*).

**Shri Braj Raj Singh rose—**

**Mr. Speaker:** I am not going to allow. I have allowed a sufficient number of questions.

**Shri Braj Raj Singh:** You were pleased to remark towards the beginning of the session when this question came up that you would allow a discussion if the prices did not come

down. Now the hon. Minister admits that in certain varieties like the coarse and medium varieties, cloth prices will be 17 per cent above the August 1959 level and in other cases it will be 20 per cent. These are the main varieties which are used by the poor people.

**Mr. Speaker:** If he had said this as soon as the statement was made by the Minister, I would have considered it, I myself was considering then whether I may not allow a discussion. But a discussion has already been allowed now. The hon. Member has said more than what he would have said if a discussion is allowed. He may put one more question.

**Shri Braj Raj Singh:** May I know whether any date-line has been fixed for the report of the Tariff Commission about the fixation of cloth prices and whether after the report is received Government will look into all the circumstances—the price of cotton, etc,—while accepting the report?

**Shri Lal Bahadur Shastri:** No date-line has been prescribed, so far as my information goes. Generally it is not done.

श्री विभूति मिश्र : मेरी बात का जवाब नहीं दिया गया है ।

अध्यक्ष महोदय : उस का जवाब नहीं दिया जा सकता ।

**Shri Yadhav Narayan Jadhav (Malegaon):** There is a Press report to the effect that there is a large stock lying in the textile mill sector. The hon. Minister has said the textile mills will be allowed to have more production in some varieties. Does it mean that the targets fixed for the textile mill sector for the Third Five Year Plan will be reached within the next year?

**Shri Lal Bahadur Shastri:** The targets for the Third Five Year Plan is going to be much higher. So far as the present accumulation is concerned, I hope it will be cleared very soon in the light of the steps that we now propose to take. As I said, the trade was almost non-co-operating and they

were not lifting the cloth. They were if not actually non-co-operating, were very indifferent. Now the cloth will be lifted and I hope there will be no accumulation in the mills in the course of the next few months. (*Interruption*).

**Raja Mahendra Pratap (Mathura):** Are not the lives of people more valuable than the prices of cloth? People are dying in Punjab.

**Shri Tyagi (Dehra Dun):** He deserves congratulations for his achievement; he has done it single-handedly without any help from any foreign experts.

12-28 hrs.

#### MARKING OF HEAVY PACKAGES (AMENDMENT) BILL

**The Minister of State in the Ministry of Transport and Communications (Shri Raj Bahadur):** I beg to move for leave to introduce a Bill to amend the Marking of Heavy Packages Act, 1951.

**Mr. Speaker:** The question is:

"That leave be granted to introduce a Bill to amend the Marking of Heavy Packages Act, 1951."

*The motion was adopted.*

**Shri Raj Bahadur:** I introduce the Bill.

12-29 hrs.

#### RE: BUSINESS OF THE HOUSE

**Shri Khadilkar (Ahmednagar):** May I seek a clarification? May I know when item No. 9 on the agenda paper will be taken up?

**Mr. Speaker:** At 5 o'clock.

**Shri Braj Raj Singh (Ferozabad):** There are two half-an-hour discussions also.

**Mr. Speaker:** The motion of Shri Vittal Rao will be taken up at 3 o'clock. Shri Khadilkar's motion will be taken up at 5 o'clock for an hour, or even earlier, if the first motion is finished earlier. After the first motion, this will be taken up as the next item.