

श्री बुशानन्ध ठाकुर (सहरसा) : मेरा सीधा सवाल है—नन्दा जी एक्सेस एनाउन्ट की बात कर रहे हैं सुपोल—प्रताप गंज रेलवे लाइन का उदघाटन हुआ था, लेकिन वह गाड़ी भवटिआही सरायगढ़ से आगे नहीं बढ़ रही है और वह टूटल आज भी वहां पर बनी हुई है। मैं पूछना चाहता हूँ—उस का सर्वे हुआ था, अब उस गाड़ी का घागे बढ़ाने की बात क्यों नहीं कर रहे हैं ? इस का कस्ट्रक्शन डिवाजन अभी भी वहां कायम है।

दूसरी बात—जो गाड़ियां बढ़ाई गई हैं, उन में से केवल दो गाड़ियां ही दोही-सरायगढ़ तक जाती हैं, तीसरी गाड़ी सुपोल में ही रोक दी जाती है, मैं चाहता हूँ कि उस को भी आगे बढ़ाया जाय।

उत्तरी बिहार सब से पिछड़ा हुआ है, वहां जो कोसी कास्ट पैसेंजर दी गई है, उस में केवल चार कम्पाटमेंट्स दिये गये हैं, जिससे लीगों को बड़ी कठिनाई हो रही है, कम्पाटमेंट्स की संख्या बढ़ानी चाहिये और उस में एक स्लीपिंग कोच भी लगानी चाहिये।

THE MINISTER OF RAILWAYS (SHRI NANDA) : Sir, the discussion has high-lighted some deficiencies in the working of the railways and also has brought out some of the problems which the railways have to face in the performance of their varied functions. I shall deal with the deficiencies first. I welcome any information which throws light on the weaknesses in the administration of the railways. It is not my contention that deficiencies do not exist in the working of the railways.

MR. CHAIRMAN : He may continue his speech tomorrow.

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17.58 hrs.

#### DISCUSSION RE : ESTABLISHMENT OF COTTON CORPORATION OF INDIA—Contd.

MR. CHAIRMAN : The House will now take up further discussion on the statement laid on the Table by the Minister of Foreign Trade on the 31st July, 1970 regarding

establishment of Cotton Corporation of India.

SHRI N. DANDEKER (Jamnagar) : Mr. Chairman, Sir, I am grateful to you that you have called me first, and I would like to be as brief as I can on a subject of some difficulty. The discussion that is tabled today concerns the Minister's statement of 31st July regarding the establishment of the Cotton Corporation of India. But, in the present situation, it must inevitably extend also to the immediate consequences of the establishment of the Cotton Corporation of India namely the present disastrous cotton situation.

18.00 hrs.

Dealing first with the Cotton Corporation, it is necessary at the outset to describe the context in which it was decided to establish the Corporation. The context, Sir, was quite simple. In the first place, there exists in this country and existed then, a very large body of highly competitive and competent cotton growers. During recent years and increasingly in the year to come, I am sure the cotton cultivators in this country are taking to modern means of cotton cultivation. They also interested in growing long staple cotton, provided the necessary assistance and encouragement is forthcoming from Government.

The second part of the context in which this Cotton Corporation was established was a large body of highly competitive and competent cotton traders and cotton importers. I must emphasise that there has existed for over a century and certainly at the time of the establishment of the Corporation a large body of competent and competitive cotton importers and cotton traders, operating on very narrow margins, in a highly competitive and sensitive cotton market. In the course of the debate last week, Mr. Dange thought it fit in the course of his speech to cast aspersion on the patriotism of the cotton traders and also I believe of the textile millowners. I should have thought it was fairly public knowledge, the extent to which not only the cotton traders assisted the cause of independence of the country, but also the extent to which today the large number of gentlemen who ought to be sitting opposite, put are now in the coffee house...

MR. CHAIRMAN : Please be brief.

SHRI N. DANDEKER : I am trying to be as brief as I can. I was saying, it was fairly public knowledge that to the extent to which any movement is dependent upon finance and upon patriotic workers, that was extent to which the independence of this country was dependent upon these gentlemen. I would not like to add, or perhaps I should, that during the course of the second world war, it was only when Russia joined the war that it suddenly became for Mr. Dange and his followers a "people's war"; until then it was a war of imperialists.

The third part of the context in which the Cotton Corporation was established was a large number of highly competitive and competent cotton textile mills. I deliberately use the word 'competent' despite the fact that there are also a number of sick mills. I use this word from this standpoint that today the Indian cotton textile industry holds its own in a very fiercely competitive international market. I suggest we ought to give credit where it is due, not only to the cotton traders and importers for competently handling a job of a highly sensitive nature and on narrow margins, but also to the textile millowners who have made a wonderful job by and large of the competence and competitiveness of their particular industry to the point of holding a very predominant position in the international market.

In this context, for no reason at all the Cotton Corporation was established with the avowed subject—there is no concealment about this of creating a State monopoly in cotton. It is extraordinary, everybody fulminating against monopolies, but some obscure reason or other persuades them to accept State monopolies as something highly virtuous, whereas in fact State monopolies have all the vices and none of the virtues of private monopolies. Moreover, whereas private monopolies can be restrained in regard to their monopolistic and restrictive trade practices under the Monopolies and Restrictive Trade Practices Act, State monopolies have been expressly excluded from the operation of this Act.

In the statement of the Minister in July...

MR. CHAIRMAN : The hon. Member should try to conclude.

SHRI N. DANDEKER : I would rather sit down and not participate in the debate if you are not going to allow me to proceed. When various other members who have preceded me have taken a long time, I am going to take the briefest possible time. But the matter is so complicated that I will seek your indulgence to allow me to explain it.

MR. CHAIRMAN : The party's time was exhausted by the previous speaker. It is only extra time that has been given.

SHRI N. DANDEKER : Thank you ; I will try and curtail.

In the import trade the statement says that with immediate effect they intend to establish a monopoly. In regard to the domestic trade, it is proposed to take it over within two years or so if possible. It was said a supplementary statement of the Minister. This is what he said :—

"My ultimate objective is to take over domestic trade also ; otherwise, how can this public sector corporation function effectively?"

In other words, how can a public sector corporation function effectively at all unless it is a monopolistic public sector corporation ? Then ; he went on to say :—

"It is not for me to say ten years or six years. If we can do it in two years, well and good".

The object, therefore, is also to create a monopoly in domestic trade with only two saving features. One is—and to that I would have no objection if the corporation was confined to these saving features—to implement a price support policy for the farmers not only in regard to the normal Indian types of cotton but also in regard to long staple cotton.

Sir, the top management structure of this Corporation is remarkable. It is to consist of a Chairman who knows nothing about the cotton trade and it is to consist of a managing director and one or two other directors who know less. When I saw this composition of a Chairman who knew nothing and of a Managing Director who knew little, I was reminded about the saying of going from Phillip drunk to Phillip sober.....(*Interruptions*)

**SHRI KAMALNAYAN BAJAJ** (Wardha) : It is a political job.

**SHRI N. DANDEKER** : Financially the Corporation is geared to profiteering. For foreign trade alone, estimated to be of the order of Rs. 90 crores, it is going to have a working capital of only Rs. 50 lakhs ; its turnover will be 180 times the capital employed. How much more will be the turnover and how little the paid-up capital when they really encroach into the field of domestic cotton trade, I do not know. But it is perfectly clear to me from this that the Corporation is not going to be subject to any restraint in borrowings nor as regards margins ; and it is going to have the most liberal credit allotment that the banking system now nationalised can extend to it.

This is the situation in which one asks : what has the Cotton Corporation done in the four months that it has been in existence ? Incidentally, I am delighted that this debate comes after these four months.

**SHRI KAMALNAYAN BAJAJ** : It has delayed the import of cotton.

**SHRI N. DANDEKER** : One would have thought that the Cotton Corporation, pompously set up to do the things the Minister says it intends to do, would be in close touch week to week, with : what is the crop situation ? What is likely to be the cotton coming into the market ? What is likely to be either the surplus or the shortage ? In other words, had it been alert it would have foreseen, not in terms perhaps of 5 lakh bales or 4½ lakh bales but in terms of the most essential point, namely, that there was going to be a most

substantial shortfall of cotton. One would have thought that the Cotton Corporation, if competently organised, would have had the foresight to anticipate these things. One would have thought that it would be organised to foresee or forecast these things and to take appropriate connective steps. But it was not until the crisis was well upon us, not until we were faced with the situation where the cotton mills federation had to start thinking about this—what to do ? Shall we cut down production ? Shall we put down the intake ? Shall we cut down stocks ? Shall we press for more imports, because you cannot somehow produce more cotton of the estimated production of 57 lakhs bales ? Instead of these problems having been anticipated and foreseen and in some measure provided for by remedial action, this crisis suddenly descended upon us. I blame the Cotton Corporation squarely for this because it brought the import trade to a complete standstill and it remained totally blind to the developing serious situation as regard the crop prospects.

These, Sir, are the immediate consequences ; and I will close with just a short statement of what I think are going to be the ultimate consequences of this quite unnecessary Cotton Corporation.

As a monopolistic, enterprise, in the first place, it will successfully squeeze down the farmers. Let there be no mistake in the minds of anybody about it. They will successfully squeeze the farmer down to the lowest possible floor price. They will also squeeze out the traders and importers. The only body of men in whom expertise lies are going to be squeezed out. The Corporation will make soothing noises, but it intends to associate with them only so long as it does not know anything about the cotton trade. The moment it has painfully learnt something about the cotton trade, the moment they think they know just a little bit about the cotton trade, about, the import trade and all that, they will bundle out the cotton traders and importers who have served the country and its farmers and the textile industry for over a century. The Corporation will, of course, squeeze the blood out of mills too ; they will get the maximum possible price they can get out of the mills.

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Finally, if all this were to lead really to a highly profitable enterprise in the public sector, which could contribute large sums of money through taxation and otherwise to the public fisc, there might conceivably be something to be said for it. But as I know from studying the results of the various public enterprises' efforts, whether in export trade or in import trade or in manufacturing or anything, at all the result is going to be that there will, in the end, be meager profits, the bulk of which will go into overheads and, therefore, there will be wide margins between the rate at which they purchase and the price at which they sell.

In conclusion, I would say, Sir, that this Cotton Corporation is an utterly unmixed evil in our mixed economy.

**SHRI S. KANDAPPAN (Mettur) :** Mr. Chairman, Sir, I do not want to enter into the merits of the Cotton Corporation. But what has happened after four months of the setting up of the Cotton Corporation seems to justify the charges levelled against the Government and the Corporation by my hon. friend, Shri Dandekar, who preceded me.

I would like to get categorical answers from the Government to a few points as to what they have been actually trying to do in the last few months. I want to know whether by nationalising the import trade, the Government thought in its wisdom that the availability of cotton and the distribution of cotton can be straightened out. I am sorry to say that the Government seems to have been very complacent in spite of the warnings given to it by the industry and that they have not taken care to see whether they have got enough stock to feed our mills and thereby to help the textile industry and, particularly, the handloom sector.

I would like mainly to concentrate on this problems that have risen recently and, particularly, regarding handloom weavers in my part of the country. There is a terrible crisis and we have been receiving telegrams from Tiruchengodu and other places predominantly from Salem district and also from Erode and Karur and other adjoining

areas where the handloom industry is the mainstay of livelihood next to agriculture. The people engaged in weaving tell us that they have been virtually in the streets simply because of the price of yarn. Whereas the mill people tell the handloom weavers that because of the non-availability of cotton, they are not able to supply them yarn at the rate which is reasonable.

Here is a case which was represented to me that in the Erode market, there was sudden spurt in yarn price in a week's time of 2/17s counts yarn NF variety and that it has risen from Rs. 40 to Rs. 48 per bundle. That means, in effect, if the handloom weaver has to purchase the yarn at that rate, he would not even dream of selling his product in any market because already the finished product is facing a stiff competition by the mill products and, virtually, he will be thrown out in the street.

Another case that was brought to my notice is from Karur that whereas one Madura mill known as Harvey mill was prepared to supply cotton yarn at a reasonable rate of Rs. 42.35 p. per bundle of 5 kgs., the other mills refused to sell at that rate. When I enquired about it, I found out that because Harvey mill had, fortunately, some cotton at their disposal, they were able to sell yarn at the old rate, and with a little rise whereas the other mills which were not clever enough or fortunate enough simply because they did not have enough credit at their disposal, they did not pile up the stocks and they have to go in to purchase cotton from various sources that are available at exorbitant rates with the result that they are not able to sell the yarn at that rate and the weavers are perplexed. They think that one particular mills is reasonable whereas other mills are not reasonable and to that effect they have been representing to the Centre as well as to the State Government. So, I do not know where this kind of crisis will lead us to.

I am told that the ruling price of cotton at present is about Rs. 720 per bale whereas the Agricultural Prices Commission has fixed the rate at Rs. 370 per bale. I am sure there may have been some variations in the market depending on the local conditions.

But I am myself a cotton-grower and I know that as far as the amount received by the cotton-grower is concerned, it did not much differ from the rate fixed by the Agricultural Prices Commission. It was slightly higher but not to the level of Rs. 720. It is anywhere between Rs. 400 and Rs. 500 at the maximum level of the market. But what was the Cotton Corporation doing all these days? How is it that in spite of their promising us that when the Corporation comes into existence, everything will be OK, so much manipulation could happen in the market? On the one side, the agriculturist is not benefited and on the other side, the mills are now facing a crisis. That is a fact and in between I do not know who is benefited and how you are going to tackle it.

Beyond all this, the crux of the matter remains that there is a definite shortage and you are incapable of either anticipating the shortage or meeting the demand. I say this deliberately because after going through the statement of the hon. Minister, I don't feel that they are confident that they would be able to get cotton timely and able to distribute it to the needy and assist the mills to any extent. Yesterday, he has given the statement and I quote from his statement. In the second paragraph, he says :

"After hearing the views of all concerned, it is confirmed that the crop-estimate is not less than 57 lakh bales during the current session. It was also agreed that it would be possible to meet the situation arising out of the shortage without any block closure."

This appears to me to be a very vague kind of sentence. How are you going to manage it? Further on, he says :

"There is also no fear of dearth of physical stocks of cotton."

Sir, I really admire the optimism and the confidence of the Minister. Later, I am afraid the Minister himself had doubts and later on, I find the Minister in his statement

enumerating all the steps that he is going to take and also giving the figures as to how much they are going to import. In fact, originally, the import envisaged was about 8.25 lakh bales. Now, we are told that they are going to import to the tune of 13½ lakhs bales. We are all aware that even the earlier envisaged estimate of 8.25 lakh bales is nowhere near being imported. Only order for a fraction of it is being booked and some efforts are being made to get it imported and after the meeting, we find that the government has promised these people that they are going to take energetic measures to expedite the imports. I doubt very much whether you know the position of the international market. Sir, I am not much of an expert in cotton trade but people tell us that in the international market there is what is called a season to purchase things. I do not know whether the Cotton Corporation is quite conscious of it and whether they have booked enough orders in various countries where cotton is available and whether the Government is really confident that in the near future they will be able to import the quantity that is needed to tide over the crisis. (*Interruptions*).

SHRI N. DANDEKER : Their answers will be, no.

SHRI S. KANDAPPAN : I know the Minister will give an affirmative in reply to my points, but I want to be convinced by arguments. In addition to this, I would like to plead with the Minister to programme it in such a way that cotton supply is ensured to the weaker sections. By weaker sections, I mean, the handloom sector, who consume the yarn, have ultimately to depend upon the availability of cotton and they should not suffer, due to rise of price in the yarn market.

Sir, two years back when there was a glut in the yarn market, we suggested that the Government should build up a buffer stock of yarn to help the handloom industry. Government accepted that suggestion. They said that they are going to set apart Rs. 5 to Rs. 10 crores worth of buffer stock, to mitigate the sufferings of these weavers from the vagaries of the market. Though they accepted this suggestion and they said that

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they are going to build up a buffer stock, nothing actually materialised.

Now, suddenly, the yarn prices have spurted so much that the handloom weavers are virtually on the streets. I do not know how they are going to survive this crisis. This is a matter of urgency. I would appeal to the hon. Minister to ensure supply of yarn at reasonable prices to the Handloom weavers in Tamilnadu and other areas. They cannot wait till the time that you give enough cotton to the mills to produce the needed yarn. They may take time. Thank you.

**SHRI K. RAMANI (Coimbatore) :** Mr. Chairman, Sir, I want to caution as well as warn the Government and the hon. Minister that the merely setting up a Cotton Corporation, the crisis is not going to be tided over. The speculators and the black marketers in the cotton business in India are all very efficient people and they know how to manage all these things !

We know that in our country the cotton yield is very low. We are not having enough cotton needed for our use. The latest estimate according to the Cotton Advisory Committee and it as per the hon. Minister's statement is 57 lakhs of bales. But we want some 60 to 65 lakhs bales of cotton for our use. That will cater to the needs of 600 and odd textile mills in our country.

So, we are forced to import some 5 or 6 or 7 lakhs bales of cotton from abroad.

Now, the Government has fixed a figure of 13.25 lakhs bales of cotton to be imported. Their latest estimate is about 57 lakhs of the present crop in this year. I do know why the cotton trade as well as the mill owners are raising a hue and cry as if Heaven is going to fall down on them and there won't be enough cotton at all. I do not believe that this cry is a real one. I know, in my district of Coimbatore itself some 85 textile mills are there. A number of textile mill owners are having their own ginning factories. They purchase cotton

directly from the peasants at a lower price and they gin it and also they bale it and they sell it to the mills. They increase the price as they please and they take a very big margin of profit there. With that high price cotton is used in the mills. Again are increasing the price of cotton yarn. This is why the handloom industry is facing a very big crisis today. In the Handloom industry in Tamilnadu, in Madurai, in Coimbatore, in Trichinopoly and other places hundreds of thousands of handloom weavers are coming to the streets and they are demonstrating. They want yarn at fixed price, even at the prevailing price of the market.

I may tell you how the mills sell yarn. I may tell you how the Coimbatore mill-owners sell yarn. They are the Members of South India Mill-owners Association. They sell at a higher price than the Arvind Mills. That figure has been quoted by Mr. Kandappan.

Sir, in 1967-68 we imported 7.68 lakh bales of cotton. In 1968-69, we imported 4.3 lakh bales of cotton. Now we have fixed the figure to import 13.25 lakh bales of cotton. Where is the question of such a big crisis ? I do not think this shortage is going to create such a very big crisis, as if it will engulf the country, as if there will not be sufficient cloth and yarn, as if this problem cannot be solved at all. Actually, in my opinion, the cotton trade in this country took it as a challenge against the Government's measure. But this measure is not going to solve the cotton problem ultimately and solve the problem of cotton supply in country. Even such a meagre measure was brought forward, the cotton trade took it as a challenge, and they attempted an all-India hartal, and they wanted to blow up the Cotton Corporation and the Government's effort to control the situation. That is why they are creating such a hue and cry.

When the hon. Minister replies, let him tell us what the real position is. According to his statement laid on the Table of the House, the Agricultural Prices Commission had recommended the setting up of an agency in the public sector for the purchase, sale and equitable distribution of domestic cotton and also to serve as a vehi-

cle for the canalisation of import of cotton. That is the reason for the setting up of this Cotton Corporation. I want to know whether Government are going to purchase the entire cotton internally as well as the imported cotton. But I am afraid they are not going to do it. Even in regard to the imported cotton, they say that they are going to canalise the entire cotton import through the Cotton Corporation, but what they actually mean is that they are going to accept actually the already existing speculators and their organisations as members of the cotton corporation and they will be taken virtually under the umbrella of the corporation set up by Government; only the licence will be issued in the name of the Cotton Corporation and it will be endorsed in the name of the old speculators and user mills.

MR. CHAIRMAN : The hon. Member should try to conclude.

SHKI K. RAMANI : This is a very serious matter. Lakhs and lakhs of workers are involved, and the handloom industry is also involved. So, please kindly give me two or three more minutes.

I was saying that there is only going to be an endorsement to the speculators. The result is that they can control everything, including the import trade, the import from abroad, the supply here and everywhere, and the millowners can fix up those speculators who were actually supplying cotton to them. In such a situation, what does the hon. Minister expect to do ? I do not think that they are going to behave as very good boys who will act under the control of the Government or under the control of the Cotton Corporation. I do not think that such a thing is going to happen. Ultimately, what is going to happen ? The speculation and black market in cotton will continue.

Though Government have brought forward this measure, saying they are going to solve cotton problem, they are not going to solve the crises at all thereby.

What will be the result? Again, the entire people of this country, the cotton-growers, the peasants and the workers who are work-

ing in the six hundred odd textile mills and the handloom workers are going to suffer. When there was a glut in the yarn market, the mills were closed. In my district alone, more than 30 mills were closed, and several thousand workers were thrown out. In Bengal, many mills were closed, and throughout the country, many mills were closed. The workers suffered and they lost their wages.

Now, on account of the cotton crises, the millowners wanted to stop production for fifteen days and close their mills. Now also the workers will be deprived of their wages. Further, they are going to do it in their own way. Thus, in the name of cotton scarcity, they are going to stop production in such a way that they want to impose a very difficult situation over the textile mill workers consumers and also the handloom weavers, in which they can exploit all. That is their intention. Thus, they want to send up the prices. In fact, even now, the prices are going up. Thus, they want to impose a price increase over the people in this manner. This is the trick that they are doing. But Government have not come forward to help either the peasantry or the working classes in the textile industry or the cotton growers or the handloom weavers.

Therefore, my suggestion is that the Government should completely take over the internal trade as well as the import trade in cotton, and not simply engage the speculators as their agents. Those speculators were actually speculating in this trade and industry and amassing wealth. That kind of thing should not be allowed. The entire purchase and sale should be under the control of the cotton Corporation set up by Government. They should also take over the distribution and allot quotas to the mills according to the spindleage etc.

In order to increase the output, of cotton the peasantry must get enough facilities. But that is not there today. Without proper irrigation facilities and facilities by way of more input, how can the peasantry increase the cotton production ? It is the responsibility of the government to provide more

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facilities in this regard. If we increase the yield per hectare and we get greater and greater production as in other countries, then there would be no closure of mills and no stoppage of production. Today, the mills, to my astonishment, in my constituency, are working all the seven days in the week.

Even on holidays they work. Even during the half hour or one hour interval which is given as meal time to the workers, they engage unemployed workers and extract work from them paying Rs. 1 or Rs. 1.50. Like this they work 24 hours a day, 7 days a week and 365 days a year. When they say there is a cotton crisis and they are not getting cotton, they are working the mills like this. If they work the mills observing proper hours of work, there will be enough cotton to go round. Of course, 3-5 lakhs bales may have to be imported. So their cry about a crisis is not at all genuine. They want to loot the people and indulge in speculation. The method going to be adopted by the Cotton Corporation and the hon. Minister is not going to solve this problem. Let him have recourse to drastic measures like what I have suggested.

श्री शिव चन्द्र झा (मधुबनी) : सभापति महोदय, काटन कारपोरेशन की स्थापना का मैं स्वागत करता हूँ। यह ठीक है कि यह इम्पोर्ट ट्रेड को हँडल करेगी। लेकिन इंटरनल ट्रेड का क्या होगा। वह भी सरकार को अपने हाथ में ले लेनी चाहिए। प्राइवेट स्टॉकिस्ट्स के पास कितना स्टॉक है, वह सब सरकार को सीज कर लेना चाहिए।

काटन क्राइसिस इस समय देश में है और उस संकट को मिलें फेंस कर रही हैं। उनकी बुनियाद में आप जाएं तो आपको पता लगेगा कि काटन के प्रोडक्शन को हमें बढ़ाना है। अभी इस सीजन में 57 लाख बेल्ट का प्रोडक्शन हुआ है जो कि हमारे ऐस्टीमेट से बहुत कम है। यह कहा गया है कि मध्य प्रदेश और महा-

राष्ट्र में क्राप डेमेज हो गई थी। ये सब बहाने हैं। बुनियादी बात यह है कि काटन प्रोडक्शन बढ़ाने के लिए आपने कोई बुनियादी काम नहीं किया है। उसके लिए पहली बात तो यह होनी चाहिए थी कि काटन प्रोडक्शन को आप थारोलीमाइनाइज करते। लेकिन आप ने ऐसा नहीं किया है। नतीजा यह है कि आपको काटन का इम्पोर्ट करना पड़ रहा है। शायद अन-एम्प्लायमेंट करने के खयाल से आपने ऐसा नहीं है। लेकिन ऐसी बात नहीं है। काटन पिफिंग मशीनों का आपने इस्तेमाल नहीं किया है। इसी तरह से और भी मशीनें हैं जिन की जरूरत है। जब तक इन को काटन प्रोडक्शन को माइनाइज करने में इस्तेमाल नहीं किया जाता है, काटन प्रोडक्शन वांछित मात्रा में बढ़ नहीं सकेगा, इस वास्ते आप को इस तरफ ध्यान देना चाहिए।

साथ ही साथ काटन प्रोडक्शन का जो यूनिट है, वह कोओपरेटिव बेसिस पर होना चाहिए। पेंजेंटरी की बात इस सम्बंध की में जाती है। लेकिन आपको पेंजेंटरी को इसके लिए तैयार करना चाहिए, इसके लिए अनुकूल वातावरण बनाना चाहिए। काटन प्रोडक्शन को आपको कोओपरेटिव आधार प्रदान करना चाहिए।

काटन कर्मशियल क्राप है। मोटे तौर पर यह कहा जा सकता है कि काटन को लेकर ही हिन्दुस्तान में पूंजीवाद की शुरुआत हुई थी। 1853 में अमरीका में सिविल वार हुई। उसके बाद से स्पेकुलेटिव एक्टिविटी शुरू हुई। तब से यहाँ भी पूंजीवादी की शुरुआत हुई। 1854 में यहाँ पहली काटन मिल की स्थापना की गई तारद्यों में बम्बई के पास और उस मिल की स्थापना कवस जी नाना भाई दवार ने की। उन का बहुत बड़ा कांट्रीब्यूशन रहा। आजादी के बाद आज यह उद्योग संकट में पड़ गया है। इसकी बजह सरकार की गलत नीतियाँ हैं। काटन क्राप एक कर्मशियल क्राप है। जब पूंजीवाद



बढ़ता है तो इसका प्रोडक्शन भी बढ़ता है। लेकिन आपके यहां यह घट रहा है। इसी का नहीं और कंश क्रॉस का भी घट रहा है और काटन भी उसमें शामिल है। मैं जानना चाहता हूं कि क्या यह इसीलिए तो नहीं है कि फूड प्रोजेक्ट का जो एकरेज है, उसको आप बढ़ाते जा रहे हैं एट दो कास्ट ग्राम कमर्शियल क्रॉस इन्वैल्यूइंग काटन? अगर यह बात है तो आपको देखना होगा कि वॉलेंस कैसे रखा जाए इन दोनों के बीच में। फूड क्रॉस में आ जितना एकड़ इलाका लगाते हैं वह तो आर लगाएं लेकिन साथ साथ यह भी आप देखें कि काटन का एकरेज कम न हो। दोनों के बीच आपको वॉलेंस स्थापित करना होगा। आपको सोचना होगा कि हम किस तरह से काटन के मामले में सैल्फ सफिशेंट हो सकते हैं ताकि हमें काटन बाहर से इम्पोर्ट न करनी पड़े।

काटन कोईखाता नहीं है। वह उपभोगता के पास कपड़े के रूप में जाती है। मिलों से कपड़ा उस से बनाया जाता है। इस वास्ते आप को एक इंटेग्रेटेड पालिसी बनानी चाहिए। काटन काटन पुकारने रहने से कुछ नहीं होगा। मिल वाले जो हैं, जो प्राफिटियर्स हैं उनको आपने खुली छूट दे रखी है। यह कहा जाता है कि हमारी मिलें ठप्प में हैं। कहता है कि ठप्प नहीं है, वे ठप्प की जा रही हैं। यह मैन-मेड आइसिस है जो पैदा किया गया है। यह मिल मालिकों की वजह से हुआ है। जहां आप को काटन प्रोडक्शन के बारे में एक इंटेग्रेटेड पालिसी अपनानी होगी वहां यह भी लाजिमी है कि काटन उद्योग को भी आए कंट्रोल करें, उसको भी आप नेशनलाइज करें।

इन शब्दों के साथ जो काटन कारपोरेशन की स्थापना की गई है, उस का मैं स्वागत करता हूँ।

MR. CHAIRMAN: Mr. Dange has spoken. So, Mr. Banerjee may ask a few questions.

SHRI S. M. BANERJEE (Kanpur): We are facing a closure in Kanpur. I will not take more than four minutes. All right, I will take three. Even the Government allows three under family planning.

There is, calculated conspiracy going on in the country by the mill owners and big cotton growers to corner cotton and a suggestion was made by my hon. friend Shri S. A. Dange, which perhaps Mr. Dandekar, did not listen to carefully, to seize the stocks. I would request the hon. Minister to kindly see that stocks, are seized immediately and without any information to the mill owners.

I wholeheartedly welcome the formation of the Cotton Corporation of India. This will at least end the malpractices and maldistribution of cotton among the mills. In Kanpur all the textile mills are manufacturing medium and coarse cloth. Taking advantage of this cotton shortage, the mill owners have started closing down the mills. Recently, the Jaykays led by the Singhanias, have also closed down their mills. There was a strike by 2,500 workers of Kanpur Textile mills belonging to Jaykays, demanding the implementation of the Wage Board award which was accepted both by the Government of India and the State Government and also agreed to by the Employers' Association but not implemented by these mills. Taking advantage of it, they have declared a lock-out.

There is the therton West Mills where the decision was taken by the Centre—I must congratulate Mr. L. N. Misra that an authorised Controller would be appointed and that the State Government would take over the mills, but unfortunately it has not been taken over. There is the other mill which is notoriously known as the Laxmi Ratan Cotton Mills, which is owned by Mr. Ram Ratan Gupta, a friend of Mr. Dandekar, because he defeated him in the elections, which should also be taken over and I hope that an announcement will be made by Mr. L. N. Misra.

There is a serious situation in Kanpur. The major industry in Kanpur is the textile

[Shri S. M. Banerjee]

industry and the entire industry is in the grip of a crisis, a man-made crisis because of mis-management, because of mal-distribution. I would, therefore, request the hon. Minister to convene a meeting immediately of the State Government representatives, textile mill owners and labour representatives in Delhi so that the matter may be solved. Otherwise there is going to be a general strike in Kanpur and may be in the whole country. The mill owners want a strike. We are avoiding a strike, but if this provocation of lock-out goes on, the workers of Kanpur will definitely resort to strike. Some of the mills should be taken over immediately, especially the Laxmi-Ratan Cotton Mills.

**THE MINISTER OF FOREIGN TRADE (SHRI L. N. MISHRA) :** Before I come to the main reply, I would like to take up some of the points raised today.

As you know, this debole has been spread over a period of four months. It was initiated in July, and it is December now.

Today, some of the Members, instead of talking about the Cotton Corporation, have talked about the position of cotton in the country. This Cotton Corporation came into being much before this cotton crisis came. Mr. Dandekar was pleased to say that this Corporation to create a State monopoly. I am one of those who believes in the philosophy that the State should expand its activities as much as possible and I am one of those who do not feel shy of being called a person having faith in State monopoly. If State monopoly grows, I will be happy, not sorry at all. But this Corporation is not to create a State monopoly, but to protect the interests of the growers.

It is to look after the interests of the common man in the country and also to make some savings to the public exchequer. As hon. Members will see, in due course, as time passes, the Corporation will show its results, and it will not be just a State monopoly, but it will be used for protecting

the interests of the growers and to stop the exploitation and also to achieving savings for the public exchequer.

**SHRI DEORAO PATIL (Yeotmal) :** Will it break up the monopoly of the mill-owners ?

**SHRI L. N. MISHRA :** Mr. Patil may remember that on the first day I spoke about the interests of the growers. Today also, I say that it will be one of our primary objectives to protect the interests of the growers who are the working classes.

Shri Banerjee raised the question of labour. We will look after their interest also and that of the growers as well, but, at the same time, a balance has to be maintained and that is the reason why. We are very much exercised about the rising prices of cotton these days, because the prices of cotton have risen very, very abnormally high, and this trend of rise has to be controlled. That is a different thing.

Some hon. Members spoke about the situation in respect of yarn, and about yarn being made available to the people of South India. As you know, yarn for the handloom sector is supplied mostly by the spinning mills which are concentrated in the southern region. Since yarn prices are more dependent on cotton prices than in the case of cloth, the recent increases in the price of cotton have affected yarn prices. That is the main reason, because the price of cotton has gone high and that is one of the reason why Government is taking measures. I had listed yesterday some measures to make cotton freely available to the spinning mills and to bring down the price of cotton. Imported cotton is not used by the spinning mills to any great extent. Hence, the mere import of long staple cotton will not help. Therefore, fresh imports of cotton will have lower staple lengths so as to ease the situation and bring relief particularly to the handloom sector. Therefore, the trouble in south India is mainly because—

**SHRI S. KANDAPPAN :** In that statement, you have indicated certain steps about

nationalising distribution. But there is no bar on the composite mills consuming locally available cotton. How are you going to give priority to the spinning mills in the matter of locally available cotton, since the spinning mills alone supply yarn to the handloom weavers, and not to the composite mills ?

**SHRI L. N. MISHRA :** The interest of the handloom sector will be looked after. When I made that statement, I had taken it into account. (*Interruption*). We will certainly look after the interests of the handloom weavers and see that they get cotton at fair prices and nothing is done to damage their interests. That is possible only in two ways: the first is, we have to import cotton and also mobilise the cotton that is available within the country. That is why I said yesterday that a number of measures would be taken, and which we wanted to take.

Then, Shri Banerjee wanted that we should seize the stock. Yesterday I said that every millowner and all the cotton traders will have to declare their stock. I am not going to seize it today. But I have said that Government must know where the cotton is, in what form and in what quantity. Also, we have reduced the period of time and also the quantity of cotton that one mill can purchase at a time. He must have seen that statement. The mills which have a stock of four months have been asked to keep the stock only up to two months and half, and those mills which have a stock for two months have been asked to limit their stocks to one month and a half. Like that, we want to have control over the stock of cotton within the country.

Some Members raised the question as to whether we anticipated the situation of cotton when the crop was going down. Cotton crop has been bad because of the floods. We did not anticipate the floods at that time, when we calculated the internal production of cotton to be 52 lakh bales. We now have put it at 57 lakh bales. That means, we will be short by five lakh bales. This can be made up by import, and in the

matter of import, we have to import either from the PL 430 accounts or from UAR and Sudan. But our preference will be to go in for PL 480. That will solve the problem of cotton, and here I must make it clear that cotton prices law to come down and they will be brought down.

We cannot blame the Cotton Corporation. It was not complacent. I did make some purchases through those people who were already making purchases of cotton abroad. Where is the question of blaming the Cotton Corporation that it came late in the field and therefore we have lost cotton and there is shortage ? The fact is, the traders also went into the operation a little late. Every year foreign cotton always arrived in India sometime in December. This year also, we will have cotton in December.

**SHRI KAMALNAYAN BAJAJ :** Why was there delay in making commitments abroad for importing cotton ?

**SHRI L. N. MISHRA :** It is a fact that the Cotton Corporation came into being a little late and the traders were trying to have a higher commission. It was not in public interest to give that higher commission. Some time was lost in negotiations. The Corporation cannot be blamed for it. The traders were higgling, wanting a higher commission, which was not possible.

**SHRI KAMALNAYAN BAJAJ :** How much commission did they want ?

**SHRI L. N. MISHRA :** The hon. member knows it better than anybody else. The nominated importers have been allowed to retain half percent of the one per cent commission normally given by the suppliers of foreign countries. The Corporation will get one-fourth and the remaining one-fourth will go to the user mills. Service charges for pre-import functions have also been standardised by the Corporation.

**SHRI KAMALAYAN BAJAJ :** Why should the Corporation not get the commission ? (*Interruptions*).

**SHRI L. N. MISHRA :** It is a public sector undertaking looking after the welfare and interests of the public. You are so much jealous about the interests of private people. The Corporation is working for the society.

Mr Banerjee raised the question of mills, in Kanpur. He has been discussing this question with me. About the Kanpur mills, an investigation committee has already been set up. One report has also been submitted. We hope we shall be able to take over these mills in Kanpur, but the snag is that 49 per cent of the investment has to be made by the State Government and 51 per cent by the National Textile Corporation. As and when the State Government agree to the proposal, we would be able to take over those two mills.

**SHRI S. M. BANERJEE :** what about J. K. Mills where a strike is going on ?

**SHRI L. N. MISHRA :** When I said those mills, I am not trying to concentrate on Lakshmi Rattan Cotton mills alone.

Some points were raised earlier. I had made a statement in the last session of this House setting out the various considerations for Government's decision to establish the Cotton Corporation of India and the role and the functions assigned to it. The Cotton Corporation was registered at Bombay on 31st July 1970 and since then the Board of Directors has been constituted. The Chairman is a non-official, Mr. Rasiklal Parikh. He is known for his administrative capacity. He is the Honorary Chairman. An outstanding officer of the Maharashtra Government has been made the managing director. The Maharashtra Government was good enough to spare his services. He is also known for his administrative capacity and he was looking after cooperatives in Maharashtra. That officer has been doing excellently well after he has taken over. The Corporation has organised itself for the task assigned to it. It is now busy building up its organisational set-up.

So far as import of cotton is concerned, the entire import trade has been canalised through the Cotton Corporation. As I

had indicated in my statement of 31st July, it has been the endeavour of the Corporation since its very inception to so organise its operations that no inconvenience is caused to any sector connected with imported cotton. Accordingly, the Corporation, soon after its coming into existence, started negotiating with trade the working arrangement for import of cotton. It will be appreciated that in the short time at the disposal the corporation could not have developed its own expertise to undertake import of cotton directly on its account. It decided to avail itself of the expertise and the skill already available in the cotton trade. The user mills that are given allocations of foreign cotton were allowed the freedom of nominating their agents from among the importers. I hope Shri Kamalnayan Bajaj will be happy to hear it. The Cotton Corporation decided to authorise to importers to import cotton by issuing a letter of authority in their favour. The importers have been getting a certain amount of commission on import of cotton from shippers abroad. The apportionment of this commission among the Cotton Corporation the importers and also the mills, was settled amicably giving the mills a rebate for the first time.

An announcement was made on 5th September, fixing 15th September as the date from which import of cotton was to be channelised. Markets in Sudan and UAR opened somewhat before the announcement. In the interest of timely purchases at economical prices, the quotas for Sudan and UAR were released in August and early September and the importers entered into contracts with shippers. In respect of the contracts made before 5th September 1970 the trade agitated for a higher share of the commission and refused to enter into any foreign contracts till this was settled. This considerably delayed the shipments of cotton. I am mentioning this particular development to show how the trader can ignore the wider interest of the economy of the textiles industry for individual gains.

**SHRIMATI SHARDA MUKERJEE (Ratnagiri) :** It is already 7 O' Clock. Why should the Minister be allowed to continue

like this ? He can lay that statement on Table of the House.

**SHRI L. N. MISHRA :** The hon. Member can I leave the House if she has no patience to hear what I have to say.

So far as domestic cotton is concerned, the Cotton Corporation has been assigned only a limited role for the time being. It will undertake purchase by way of price support and to meet the requirements of mills under the purview of the National Textile Corporation and of the private mills on being approached. It is now extending purchase operation to meet the requirement of all the mills under the purview of the National Textile Corporation.

Some of the hon. Members have stated that there was no economic consideration providing justification for establishment of the Cotton Corporation and the operations of the Corporation itself may harm the interests of the growers. I like to reiterate here that decision to set up the Corporation was not taken in haste. The Agricultural Prices Commission, which is an expert body concerned with fixation of prices of important agricultural commodities including cotton, has for the last few years been urging the establishment of such a public sector agency. All the relevant aspects were given detailed consideration by an official committee and detailed discussions were held with the representatives of industry and trade in this behalf. The decision to set up the Corporation has been taken after mature deliberations and considerations. There can be no two opinions about the need for protecting the legitimate interests of growers and the Corporation's operations will doubt-

less be directed towards the achievement of of this objective. There is no question of Government or the Corporation doing anything that harms the growers' legitimate interests. The Corporation is busy developing its organisational set-up, acquiring the necessary expertise and organising the necessary skills for purposefully performing the role assigned to it.

While serving the interests of the grower, the Corporation will also endeavour to render useful service to the industry, by supplying foreign cotton and also domestic cotton at economical prices. In that direction, bulk purchases of cotton are expected to provide the effective method. An hon. Member mentioned that many other purchasing countries did not have centralised agencies for handling such import of cotton. Different countries have different economic structures and we need not necessarily follow the pattern of trade prevailing in a particular country. On careful consideration, Government have come to the conclusion that a public sector agency to handle import of cotton and later on domestic cotton will certainly serve the interests of the grower and the industry and ultimately benefit the consumer by reducing the cost of production of textiles. I am sure that once the Corporation develops adequate expertise, the expected benefits will ensue not only to the grower and the industry but ultimately to the consumer and the general economy.

18.55 hrs.

*The Lok Sabha then adjourned till Eleven of the Clock on Thursday, December 10, 1970/Agrahayana 19, 1892 (Saka).*