

it has anything to do with this Bill. Probably they search the employees who go out of the mints to find out if they are not carrying away with them some small tools.

Mr. Deputy-Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

16.43 hrs.

COIR INDUSTRY (AMENDMENT) BILL

The Minister of International Trade (Shri Manubhai Shah): Sir, I beg to move:

"That the Bill further to amend the Coir Industry Act, 1953, be taken into consideration."

Perhaps the House is aware that the Coir Industry Act was passed in 1953 and the statutory Coir Board came into existence in 1954. As a result of the working of this Board for the last one decade, the House is aware that a lot of improvements have taken place in the coir industry. When the House enacted the Bill in 1953, the industry was totally depressed. More than 60 per cent of the coir labour was unemployed and the world markets had slumped to the extent that our exports of coir and coir products had gone down to the level of Rs. 3 to Rs. 4 crores. In the last one decade, particularly in the last few years, we have been able to recover much of the lost ground. Now we are exporting almost to the extent of Rs. 14 to Rs. 15 crores worth of exports and the industry is working practically in full swing. When we analysed why the coir industry in our country is not further developing, we found that unless we produce better goods for export, there can be no further improvement. This is an industry in which 92 per cent of the products are exported and only 8 or 10 per cent is

being locally consumed. So, on enquiring from foreign countries, we were convinced that mechanisation should be introduced in the coir industry in a gradual manner. We had a tripartite meeting of all the interests in Kerala particularly, because Kerala accounts for more than 95 per cent of this industry. The rest is in West Bengal, Maharashtra and Andhra Pradesh. This is more in the maritime States where coconut production is of a large order. We felt that the designs can improve only if we had better weaving, better finishing and better dyeing facilities attached to it. We, therefore, decided that the Coir Board, that is the Government of India, itself should endeavour to set up such a factory. The Act as it is does not provide for any such activity because it was not envisaged in those days that the Coir Board or the Government would have to take any responsibility in this matter. Being a new venture very few private companies are really coming forward to set up such a mechanised unit because they are not quite sure whether the mechanised unit would be able to compete with foreign countries. We are convinced, and our technical survey shows—we know what is done in Holland, Belgium and Germany because these are the three countries where coir industry is highly mechanised and which produce competitive goods—that we have the technique here and also the raw materials. The fibre is actually being exported from us, Ceylon and Malaya. They do not have the raw material. Therefore, we can earn better foreign exchange almost to the extent of Rs. 26 crores to Rs. 2 crores. It will also provide more employment. It may appear to be a contradiction in terms, but when mechanisation takes place the present utilisation will almost be doubled. Therefore, while mechanisation tends to reduce employment per loom, because of expansion we will be able to provide a larger employment potential.

Then, there was a cess placed under the other Act. That used to give us

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revenue of about Rs. 8 lakhs. We find that if we have to develop export as well as production of coir goods for export we will have to give more assistance to this industry, which is a cottage industry, in the form of loans, grants and technical assistance and advice. Therefore, in the amendment we have proposed:

"The Central Government may after due appropriation made by Parliament by law in this behalf pay to the Board by way of grants such sums of money as the Central Government may consider necessary."

Up till now there was no provision for such grants being made. This amendment will help us to set up a mechanised factory or factories and also to assist public and private entrepreneurs to put up such factories. Both these things can be done and also grants can be given.

Therefore, I hope, in the interest of this industry, which is one of the most decentralised sectors of our industry, where more than one-and-a-half million people are employed in the different process of coir cleaning, fibre making, matting and all that, and also, in the interest of earning larger foreign exchange and giving better wages to our workers in the coir industry, the House will kindly take these provisions into consideration and support the Bill.

Mr. Deputy-Speaker: Motion moved:

"That the Bill further to amend the Coir Industry Act, 1953, be taken into consideration."

Shri Vasudevan Nair (Ambalappuzha): Mr Deputy-Speaker, Sir, I should welcome the move by the Government to extend more liberal help to the coir industry by trying to help the Coir Board with more finances.

The hon. Minister, in his brief statement, according to me, has made very tall claims. I am sorry I cannot agree with him as far as those claims are concerned. The Coir Board is there for the last ten years. If the Coir Board is in need of more funds nobody should grudge giving it more funds. At this stage, I do not want to pass any judgment on the work of the Coir Board, although I have my views about that. As far as the record of the industry is concerned, it is an open book, and I cannot at all agree with the hon. Minister that the industry is now in full swing. If he means, when he says that it is in full swing, that the exports are going up, it is true and I do not deny that. But I want to make special mention of that vital sector in this entire industry, and that is the manufacturing sector. The industry taken as a whole, the production is going up. Exports are also going up. But the hon. Minister knows very well that the bulk of the export is in the primary product, the bulk of the export is in the coir yarn. As far as the manufactured articles are concerned, specially as far as the coir matting is concerned, there is a steady decline—I think, practically the export is nil as far as coir matting is concerned. I do not say that it is nil but there is a steady decline. But in the case of coir mats, the situation, of course, is not very bad. But there again we know that the manufactured articles are discriminated against consciously and deliberately by the traditional importers in Western Europe. As in the case of other manufactured articles which we are trying to export by various methods—the hon. Minister is the person who knows more about it—in the case of manufactured articles in this industry also there is a persistent effort on the part of the industrialists and the governments in those countries to discriminate against the export of manufactured coir articles.

The hon. Minister knows that the duty is discriminatory. The duty on

manufactured articles is much more—I think, perhaps some 30 per cent or so more—than on coir yarn. They are actually importing the primary product from our country and manufacturing coir mats and matings in their own country. I hope, the Minister is aware of the fact that there is a long-standing controversy in knowledgeable circles as far as this industry is concerned that perhaps we could even try to restrict the export of coir yarn so that the western countries, the traditional markets, will be forced to accept our manufactured articles. There is that school of thought. But till now the Coir Board and the Government of India have refused to accept that. My complaint against the Coir Board and the Government of India is that they have not yet made a real study of the problem. We have persistently asked them to make an on-the-spot study to see whether actually the threat of switch-over to some other material is there in case there is a restriction on the export of coir yarn. The result is that because of the various steps of discrimination against the manufactured articles, the export of manufactured articles has gone down very much and as a result of that the manufacturing industry is in a very deep crisis. Even today it is in an endless crisis. It will be just wishful thinking to say that everything is all right, that it is, in full swing. It is a good statement to make, but it is far from the truth. As a matter of fact, it is a very tragic sight if you go to those areas which were at one time the pride of our State and if you see how factories after factories are closed down, thousands of workers are practically in starving conditions in that particular area. It is the worst affected area in our State and the Government also is aware of that situation.

This manufacturing sector of the coir industry 10 to 15 years ago employed nearly 50,000 workers and at present in place of 50,000 workers they do not have even 10,000 workers. Every factory is closing down and practically even half a dozen factories

are not left working at this time. What is the reason for this and what can be done really to put these factories, the traditional industry of our State—I should say, it is a national industry as far as our State is concerned—back on its own feet? In that particular respect our failure has to be accepted. I do not want just to find fault with the Government. It is not that I am speaking in that spirit. But it is a failure that we have to take into account and we have to think seriously of steps to see how we can really put this manufacturing sector of the industry on its feet. And one way out suggested is the mechanisation. Normally, who can oppose mechanisation? If I oppose mechanisation, then I should be called a reactionary because we are all going ahead for more and more mechanisation. But in this particular situation what will happen if you resort to mechanisation? You have to look at this problem in that light. The hon. Minister knows that the workers, the trade unions and the people who represent the workers have expressed the serious concern following the proposed mechanisation because even the existing labour force will be thrown out of the factories. Sir, the Minister gave us almost an undertaking in this very House that he will see to it that all those workers who may be thrown out of the factories because of mechanisation will be employed otherwise. I would like to remind him that his promise still remains only a promise and that it still remains only on paper. In this very House, a few months back, in answer to a question from me, he said, "We are starting spinning mills in Kerala and not only 1500 workers who may be thrown out of the coir factories as a result of mechanisation will be employed in these spinning mills but even three or four times that number will be employed in these spinning mills". But I would like him to know that as far as this particular area is concerned, as far as this region is concerned, where these workers will be thrown out of employment, not a single spinning mill is going to be estab-

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lished. Shri K. D. Malaviya, when he was Minister, came there and laid a foundation-stone for a particular mill. I may assure the Government that that stone is very safe, that foundation-stone is there and it will be there because it is a stone which cannot just be removed very easily. Beyond that one foundation-stone laid with great ceremony by a Minister, nothing has happened.

Shri D. C. Sharma (Gurdaspur): A great thing has happened to him.

Shri Vasudevan Nair: The Government had appointed a committee to make specific proposals about the starting of alternative industries in that area. The committee worked upon the scheme and produced a report. But what has happened to that report? That report is very safe in the shelves of the Kerala Government. It has not even seen the daylight till now. I say, you proceed with mechanisation, you give money—I do not want to oppose it as such—you make that experiment but I want an assurance, a definite assurance, not like the usual assurance, that all the workers who may be unemployed as a result of this mechanisation will be given an alternative employment. Mr. Manubhai Shah should give that assurance. I want that assurance from the Minister here. There is no meaning in getting any assurance from the Kerala Government. They cannot do anything in the matter. So, my point is this. Apart from the difference of opinion about the great benefits which may come out of mechanisation—let us leave it; let that controversy be there—let us come to this practical question of employing all those workers who may be thrown out of employment. The Government should guarantee their employment in some alternative industries.

17.00 hrs.

Now, another point is about the duty. It is good that you are now trying to give more grants to the Coir Board beyond the amount that you collect by way of duty. In this con-

nection, I would like to remind the Minister that of late the duty on the manufactured articles was brought on a par with the duty on coir yarn. As a matter of fact, during the last many many years, right from the time of Sir C. P. Ramaswami Iyer, in order to protect the manufacturing industry and in order to give preference to the manufacturing industry as compared to the coir yarn industry, the duty on the manufactured articles was kept at a minimum and the duty on the coir yarn was more. Last year, Government thought it fit to increase the duty and keep it on a par with that on coir yarn. There was a lot of hue and cry against it, because it was feared that an industry which was already hard hit might be hit again. The Coir Board unanimously made a recommendation to Government that that amount should be reimbursed. I do not know why a decision has not been taken by Government till now. As far as I know, the Coir Board has again made that recommendation to Government re-emphasising the necessity of paying it back. I hope that Government will take an early decision in this matter in favour of the recommendation of the Coir Board.

Mr. Deputy-Speaker: Shri Maniyaganadan will speak tomorrow.

17.01 hrs.

COMMITTEE ON ABSENCE OF
MEMBERS FROM SITTINGS OF
THE HOUSE

NINTH REPORT

Shri Khadiikar (Khed): Sir, I beg to present the Ninth Report of the Committee on Absence of Members from the Sittings of the House.

17.01½ hrs.

The Sabha then adjourned till Eleven o'clock on Friday, May 1, 1964/Vaisakha 11, 1886 (Saka).