

[Pandit Thakur Das Bhargava]

With this experience, I should think that it is rather early that the change is being made in the law. Unless and until it is proved that the State Governments will not be able properly to handle these subjects, I am of the view that the original idea of the Constituent Assembly that this was a proper subject for the States should not be entirely given up. Now, by this amendment we are putting this subject in the Concurrent List for all time so that we are giving to the Central Government powers which, they being the more powerful, will always exercise. We know of article 254, we know of other articles, whereby when power is given to two bodies, the more powerful body will always exercise that power and not the less powerful one. When we have got provisions like article 254 in the Constitution, a law made by the State Legislatures will not have precedence over the law made by this Parliament. Therefore, my humble submission is that if we enact a law like this, it would mean for all time—unless the Constitution is changed again—that this Government shall exercise the powers which were given to it by the Constituent Assembly in its wisdom only for five years. This will be the result.

I have heard the speech of Shri More. He has drawn our attention to article 248. I may humbly tell him that article 248 was put in the Constitution deliberately. We do not want that kind of federation in India in which the States are totally independent of the Centre and are subordinate to it only in respect of matters in which specific powers were given. It is a kind of unitary Federation.

Mr. Chairman: I think the hon. Member will take some time. Now, it is time for the Private Members' Business.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

Shri Kashtwal (Kotah-Jhalawar): I beg to move:

"That this House agrees with the Eleventh Report of the Committee on private Members' Bills and Resolutions presented to the House on the 8th September, 1954."

Mr. Chairman: The question is:

"That this House agrees with the Eleventh Report of the Committee on Private Members' Bills and Resolutions presented to the House on the 8th September, 1954."

The motion was adopted.

RESOLUTION re: RATIONALISATION SCHEMES IN TEXTILE AND JUTE INDUSTRIES—contd.

Mr. Chairman: Now, the House will resume further discussion on the resolution moved by Shri P. T. Punnoose regarding rationalisation schemes for the textile and jute industries.

On the 27th August, Mr. Punnoose spoke for about 41 minutes and concluded his speech. As he availed himself of the full time assigned to him, he is foregoing his right of reply. Out of the three hours' time allotted for this resolution, two hours and 19 minutes are left for its further discussion. That means the discussion of this matter will close at 4-49 P.M. roughly.

With respect to the amendments, I would like to bring to the notice of the House that I have received certain requests from Members to be allowed to move their amendments. It appears that notice of amendments—about 8—were given when the resolution was moved. When the Members were called upon to move their amendments, only four moved their amendments, namely, Shri S. N. Das, Shri Bhagwat Jha Azad, Shri Asoka

Mehta and Shri Diwan Chand Sharma. Under the rules, after a resolution has been moved, any Member may, subject to the rules relating to resolutions, move an amendment to the resolution. And, the rule is:—

“If notice of such amendment has not been given one day before the day on which the resolution is moved, any member may object to the moving of the amendment, and such objection shall prevail, unless the Speaker allows the amendment to be moved.”

It appears that Shri Amarnath Vidyalankar has sent a note that he wants to move his amendment. I do not think, under the rules, it can be allowed to be done.

Shri A. N. Vidyalankar (Jullundur): I had already given notice.

Mr. Chairman: I think, so far as resolutions of this nature are concerned, there have been precedents in this House and I find that the matter is concluded, and, in my opinion, very rightly. For instance, I think, there was some discussion and the Deputy President ruled—in those days the Speaker was called the President and the Deputy Speaker, the Deputy President—when a member who had given notice of an amendment for reference to the Select Committee was absent and he subsequently turned up and said that he wanted to move his amendment—ruled that he could not be permitted to do so as he was not in his seat when his name was called, but that he could speak on the motion. I think that is a healthy practice. I am glad that today there are more Members present than on the last occasion at least at the beginning—I do not know what will be later on. In the case of such resolutions, if Members want to move amendments, they must naturally take care to be present, according to the rules, when the resolution has to be moved. I think that is a healthy practice that those who want to move their amendments should not be allow-

ed to move it later on when a time is fixed for that. I regret I cannot allow those hon. Members who, for reasons good, bad or indifferent,—I do not know what—remained absent on that day and could not move their amendments. I won't permit them to move their amendments now.

Shri Bansal (Jhajjar-Rewari): Sir, I am thankful to you for allowing me this early opportunity to participate in this debate. I consider this resolution as one of the most important resolutions that have come before this august House.

I must admit, at the very outset, that I was a bit taken aback when this resolution came from Mr. Punnoose. I had all along felt that if a resolution of this nature were to come from a person like Shri Shriman Narayan Agarwal or a person like Shri Raghavachari, it would be understandable because they have a philosophy of life which believes in decentralisation. They believe in a particular type of economic system. My communist friends believe in progress—at least they profess that they believe in progress. They believe in rapid industrial progress. In fact, one of the strongest arguments of Marxism, in the armoury of Marx, is that capitalism, after a particular period, becomes atrophied and is not in a position to take advantage of the latest scientific developments. It is one of the reasons on account of which they say that the capitalist system has outlived its utility and it must give place to a new system. Here is a contradiction. A party which says that this system has become outmoded because it cannot take advantage of scientific developments, comes before the country and says that we should not proceed with scientific development. Why do they make these arguments? I am reminded of my school days when I read a play by Earnst Toller entitled “Judites and the Machine Wreckers.” I am sure many of my friends on the other side would have read it because Toller was in fashion those days. There Byron appears in the garb of

[Shri Bansal]

an attorney. He says I am a follower of Lord Lud—the leader of machine wreckers. Why do we find our friends on the opposite side on the side of the machine wreckers? The reason is not far to seek. It is a part of their specific programme to develop an anti-thesis. They say they must bring out the contradictions of the particular system which they are against. By bringing those contradictions they will be taking the war they are waging a step further. I am sure this House is not going to be taken in so easily by their claptrap. This game of theirs has gone a bit too far. Time is very short and I am not going into the history and the comparison of Mr. Punnoose with Byron. Mr. Punnoose does not have even the remotest resemblance to Byron. I do not know whether he is a poet or not. At least he has not got any one of Byronic poses.

Mr. Punnoose said, I know what you are going to say in favour or rationalisation. We know all those arguments. Please do not bring out those arguments before us because they are our weak points.' I will be sport and not attack him on his weak points. I do not think he would like to be reminded that rationalisation is a concomitant of industrial progress. In fact, they—his party—themselves believe that a system which has to progress must keep pace with scientific development, must keep pace with technological advances.

I am not going to waste my time on that and I will confine myself to the case of the two industries which Mr. Punnoose has referred to in his resolution, although after reading the resolution he forgot all about these industries because he never talked of the textile industry and the jute industry except here and there. The resolution says:

"This House is of opinion that rationalisation schemes planned to be introduced in the textile and jute industries in the various centres in India are harmful to the

vital interests of the people of this country."

I do not think he advanced any cogent reasons to prove as to how these are harmful. He did say that rationalisation is leading to increasing unemployment. He was painting the picture of misery in the households of the workers who have been thrown out of employment.

Now, Sir, I have tried to collect some figures in order to find out whether unemployment in the textile industry has increased or decreased. I have before me the *Tata Quarterly* one of the most authoritative journals on economic subjects. Here they have given a full article on rationalisation in the cotton textile industry and I think it will more than repay my friends if they will spend five minutes on reading this. From this I find that during the period between 31st August, 1946 and 31st August, 1953, about 11,099 looms...

Shri Gadgil (Poona Central): That is the total figure.

Shri Bansal: Yes; that is the total figure. Out of this 4,805 automatic looms had been introduced in the country. This is a very small percentage of the total loomage in the country. I would have appreciated the argument if even this loomage would have added to some unemployment in the country, or at least, it should have reduced the employment in cotton textile industry. But, what is the position in the cotton textile industry? The position is that the figure of average daily number of workers employed in September, 1953—I have the figure only up to September, 1953—was 7,53,000. In no period before this—I have figures from 1940 to 1952 and then monthly break ups for the year 1953—was this figure ever reached. In 1940 the figure was 4,90,000; in 1950 it was 6,75,000; in 1952 it was 7,40,000 and in 1953 it was 7,53,000. Therefore, I do not understand how my friends are saying that rationalisation has been the cause of growing unemployment in the textile industry.

Then they say that if you introduce automatic looms and if one man begins to attend to 16 to 32 looms instead of attending to one or two looms, then naturally unemployment will be created. I have some authoritative pronouncements on that and I understand introduction of automatic looms is not an easy process. I can warn my friends here about that if they are suffering from any misapprehensions. In our country we have 179,000 looms and at this rate of 4,000 and odd looms in seven years, the average introduction of automatic looms has been of the order of six hundred looms per year. Even the most optimistic among the businessmen regard replacement of 2,000 automatic looms as a very difficult job. Therefore, I tell my friends that this fear of introduction of automatic looms creating huge unemployment in the textile industry is a mere bogey. They say, theoretically it causes unemployment and the argument seems to be quite convincing to any listener, because where a machine was attended to by one man, that man can now attend to 16 to 32 machines, naturally the listener will say: "Yes; huge unemployment will be created". But, Sir, I have here a pronouncement by the present Labour Minister of Uttar Pradesh Government, who says that in Kanpur 10 to 15 thousand workers have been thrown out of employment, not because there has been rationalisation but because there has been no rationalisation. I would like that my hon. friends on the opposite side take note of this very authoritative pronouncement, by the Labour Minister of a big State in our country.

Then, Sri Punnoose said that on this question of rationalisation there is such a solidarity and unanimity of opinion than has been seen anywhere at any time. About that unanimity I will read out a press statement by Shri S. R. Vasavada, President of the Indian National Trade Union Congress, the biggest trade union of our country, the trade union which represents the largest number of workers.

Shri Gadgil: It is now represented in the Government.

Shri Bansal: In a statement in July, Shri Vasavada, President of the Indian National Trade Union Congress, has appealed to textile millowners and employees of Kanpur to recognise the wisdom of rationalisation scheme proposed to be applied to the industry. In that statement he said that the scheme was intended to cover the existing machinery. He said that the INTUC had definite information that it was not intended to introduce automatic looms to enable labour-saving devices. Shri Vasavada said that he had been informed that the U.P. Government had accepted the three basic principles which should guide any scheme of rationalisation. He further said that he was surprised to find that some trade unionists were bent upon ignoring these principles and wanted to offer blind resistance to a reasonable scheme of rationalisation. Now, Sir, so much for Mr. Punnoose's packet.

Sir, I would quote other authorities on this question of rationalisation. As you are aware, an expert team sponsored by the Ford Foundation visited our country especially to study the condition of cottage and small-scale industries. What do they say after touring the country, after seeing the conditions in our large-scale industries and after studying the conditions in our small-scale and cottage industries? They say:

"In a large part resistance to modernisation derives from fears, which are widespread, of technological unemployment. These fears are illfounded and unjustified. Production on inefficient and out-dated methods has more drastically reduced employment than any modernisation could have done. Modernisation on the other hand creates employment. Improvement means more and better products at lower and lower costs and result in greatly extended demands in market and thus increase the output. This reluctance on the part of the

industry is not only responsible for many of the difficulties that are observed but are real obstacles in the way of any organisation which is in progress."

Shri Dhulekar (Jhansi Distt.—South): Do you mean to say that handloom workers have not been killed by your power looms? What are you driving at?

Shri Bansal: If I have time I will answer that also, but my time is very short and therefore I am not going to deflect from my own line of reasoning.

My friends may say that this Ford Foundation team had the representatives of big business in it. Now, Sir, in the appendix is given the life histories of some of these members of the team and if my friends would like to peruse them they will find that almost all of them came as representatives of cottage industries in their respective countries, mainly Sweden.

After that I will quote from.....

Mr. Chairman: The hon. Member has got only two more minutes. There are a number of people who want to speak on this subject.

Shri Bansal: Sir, I will finish in five minutes.

Mr. Chairman: No; only two minutes more are allowed.

Shri Bansal: Then, Sir, I will simply refer to "Higher productivity in manufacturing industries". This is not a publication by any capitalist organisation. This is a publication of the International Labour Organisation and if my friends will read from page 33 they will find what this Organisation has said about rationalisation and introduction of modern machinery.

Sir, as you have said that my time is up, I will not go into the case of the jute industry. But, I must tell one thing to my friends. After all, what is our aim? If our aim is to provide our people the existing standard of living, then you can do without rationalisation. But, if you are thinking in terms of giving better

standard of living to our workers—I am one of those who would like to think in concrete terms—what do you mean when you say that standard of living must be raised by 50 per cent. in the next ten or fifteen years? It means that we must give instead of 14 yards of cloth, 20 yards of cloth to our people. Now, how are we going to give this 20 yards of cloth to our people? Do you know what problem you have to face if you are to give 20 yards of cloth *per capita*? You must think of having at least 200 mills more of the present type in the country. But, Sir, if you are going to take modern machinery in these mills which we have at present, perhaps even a lesser number of new mills, can produce the cloth which we expect to give our people.

Therefore, what I say is that this question of rationalisation, apart from the technological aspect of it, apart from the dialectical aspect of it—in which my friends are so much interested—is the question of how we are going to tackle this question of poverty of our people; this is a question of raising the standard of living of our people. If you consider this question of rationalisation in that light I am sure Mr. Punnoose will be the first person to withdraw his resolution.

Shri Gadgil: I will confine myself to the question whether rationalisation is or is not in the vital interest of the people. I am not concerned with the motives of Mr. Punnoose, nor do I agree with my neighbour, Mr. Bansal, that unemployment will not result from rationalisation. This question of rationalisation was referred to a special Textile Enquiry Committee in 1937, and the general approach of that Committee was that rationalisation reduces costs, makes more wages available to the labour, and there is also cheapness of price so far as the consumers are concerned. Therefore, from the national point of view as represented by these three different interests, it is very much desirable that there should be rationalisation. Their recommendations

were on these lines, namely, that it should be introduced in co-operation with labour, that labour should be allowed to participate in its benefits to a reasonable extent in the shape of higher wages, that the workers thrown out of employment as a result of rationalisation should be re-absorbed before new recruits are engaged and that with a view to reducing the magnitude of unemployment, rationalisation should be gradually introduced. That was the position in 1940 when that report was made. Since then, fourteen years have passed, which means that the existing textile machinery has gone down in its efficiency very much. Now, what is the position? The Working Party examined nearly 25 per cent. of the textile mills and in a table which is given in *Tata Quarterly*, we will find details in regard to the different categories of frames—drawing frames, slubber frames, inter frames, roving frames, warp ring frames, weft ring frames etc.—and on the whole conclusion is this. "More than 65 per cent. of the machinery in the spinning section, excepting the warp and weft ring frames, was installed and working before 1925 and about 30 per cent. of it was installed even before 1910. In the weaving section, the situation is still worse. About 49 per cent. of the total number of looms were installed and working prior to 1910, i.e. about 44 years ago and about 75 per cent. of them were installed before 1925, i.e. 29 years before." If the useful life of machinery is taken to be round about 30 years, it becomes obvious that the machinery is out of date.

Why are we particular in developing this industry? It is not for the few industrialists or shareholders. It is because I stand for nationalisation first and foremost so far as the textile industry is concerned. So long as it is not done, it is equally our responsibility to see that it is kept at a high level of efficiency. We find that after partition, 20 per cent. of our export trade in cotton is gone. Only two years ago, a conference was held at

Burnham, where there was some allocation of textile exports and we find that the Japanese competition is getting keener and keener. I understand that 70 per cent. recovery has already been made by the Japanese. Therefore, it is for us to take into consideration in what way we can keep not only our traditional export market, but in what way we can develop it. It is necessary from this point of view as well as from the point of view of our internal market. The *per capita* consumption of cloth is so low and if you want to increase it, then it is equally necessary that we must go in for rationalisation. With the existing type of machinery it is not possible to raise production to that level where we can have as much as we desire and export because the export trade in textiles is one of the principle items and it is absolutely necessary for us to see that it does not disappear or is reduced.

To say that rationalisation will not result in unemployment is not true. It is so obvious and it is bound to result, but we have to phase that rationalisation in such a way that the unemployment consequent on that will be so little, so well arranged and done in a well-thought out system that re-absorption can take place by departmental transfer or by increasing the shifts or by some other means. What exactly is the magnitude of unemployment? Suppose the textile industry wants to go after rationalisation 100 per cent. It will then require roughly Rs. 350 crores and I understand that they have got just a little less than 30 per cent. available. The figures given by my friend, Mr. Bansal as to how much modernisation has taken place during the last seven years, are correct, but assuming that they want to enter on a bigger programme, it is possible to say with some certainty that even assuming that the full programme as proposed by the industrialists is undertaken, the net result will be that only about 2 per cent. of the total number of looms installed will be available every year and it will not be so complete as is sought to be made

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out by others. What are the chances of re-absorption? I am reading from *Tata Quarterly*s

"In Bombay and Ahmedabad, the "separations" in the cotton textile undertakings in 1953 amounted to 31,800 and 7,800 respectively and the ratios of "separations" to the average number of persons employed in the cotton textile industry at the two centres were 14:4 and 9:2 per cent."

"Separations" means retirement, death and other causes by which people go out of this industry.

If we take this into consideration, unemployment will not be so big, but whatever it is, it is bound to be there. There must be some unemployment and one cannot deny that. Therefore, rationalisation should be done in such a manner, as I said, that the effect of unemployment will be as little as possible.

We have this question before us. If we do not rationalise, it is not in the interests of a few industrialists who are here, but because I want that the industry should be nationalised immediately and then rationalised by Government, but so long as Government is not inclined that way, what else can we do? Are we going to oppose and say that the industry should go to dogs? There is no doubt, with the facts that I have stated, that the age of the machinery is so much that its efficiency is going down. The question then is: what will happen if we do not permit rationalisation? What will happen is that production will go down and we will not be able to manufacture quality products and the result will be that we will lose our export markets which are traditional, and there is no chance of extending our export market. Even the existing mills will close down and there will be more unemployment than if we introduce the system of rationalisation. This exact question was examined by the Textile Enquiry Committee which I referred to a few minutes ago. They said:

"Should unemployment then be a reason for not resorting to rationalisation? This question can only be answered by asking another. In the particular circumstances of a country, would an increasing volume of unemployment be a greater evil than having a vital industry in a weak and inefficient state? Such an industry would naturally be incapable of making sufficient profits to give its workers decent wages and to attract the requisite supply of capital and would steadily deteriorate ultimately threatening to create a much greater volume of unemployment and economic distress."

Therefore, the most rational and the most national approach, which is in the best interests of the public, is, as suggested by the Textile Enquiry Committee, that rationalisation must be tried, that the unemployment that will be consequent on it must be tackled in a systematic manner so as to reduce its consequences. People might say here that rationalisation means increased profit to the owners or industrialists. I would request Government that they must bring back the dividend limitation aspect immediately, some restriction on profits, some profits to be shared by the people, a part going to us, poor consumers. What happens now is between the industrialists and the labour, who may be only one or two per cent. in a population of 34 crores and we, the consumers, representing the entire community, are always forgotten. Over our heads agreements are made between employers and labour, and prices increase. That has been our experience.

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Let us understand that in this Parliament we are not representative of any particular interest, whether of the capitalist or of labour. We represent territorial constituencies. In other words, we represent the entire community. In other words, we represent the consumer's interests. I

want to guard that interest, because rationalisation means cheaper cloth, additional cloth. It also means that if the country is industrially powerful, it is powerful from the defence point of view. That is another aspect which I want to emphasise.

Therefore let us not be carried away by the idea that rationalisation will increase the wealth of the rich. I am sure, I shall see that they do not get one additional pie to what they have been accustomed to get. If possible they should get less. (An hon. Member: How will you do that? We will see the things happening. The Estate Duty Act has come. And I have not the slightest doubt that ceiling on maximum personal income is bound to come in a year or two. Make no mistake. My rich friends are looking somewhat suspiciously at me! But I have always proved to be a good prophet.

Therefore our approach should be rational, our approach should be national, and we should not be carried away by what the industrialists or what the labour people may say. We must follow a path of common-sense which is consistent with the best public interests.

Shri G. D. Somani: (Nagaur-Pali): The two distinguished speakers who have preceded me have already made several interesting observations about this rationalisation, and in the short time at my disposal I will try to avoid what they have already put before the House. I have gone carefully through the very lengthy observations made by my hon. friend Shri Punnoose the other day while introducing his resolution on the subject we are debating today.

So far as rationalisation which involves any widespread retrenchment or unemployment is concerned, I am absolutely in agreement with him and with all other labour leaders that no rationalisation should be allowed which may be drastic or which may result in throwing thousands of workers on the street. I am aware of the seriousness of the un-

employment situation. And I think no one connected with industry, is ignorant of the implications of introducing any hasty or drastic schemes of rationalisation which might involve retrenchment on a wide scale. Therefore, when I talk in favour of rationalisation, it only means rationalisation which can be introduced on a gradual, scientific, long-term formula, or, which, in the now famous phrase used by our hon. Minister of Commerce and Industry, can be called as 'rationalisation without tears'. It is this policy of rationalisation which alone will serve the best interests of the working classes.

The opposition to this policy of rationalisation is really not understandable properly. I think this opposition will ultimately bring disaster to the very working classes whose interests they want to support. Figures and facts can be given. The history in other countries also shows that this opposition is not new. There has been age-old opposition to the system of mechanisation and modernisation. But it has always been found that ultimately this rationalisation and modernisation have been in the interests of the working classes.

After all, what are our objectives? Our objectives are to find greater employment, better working conditions, better wages, a higher standard of living for our workers, and higher production. And these objectives can only be achieved if the industry is allowed to follow a gradual policy of rationalisation and modernisation.

There can be no half way house. It must be distinctly understood that if the industry is to survive and exist economically in this modern world, it must be allowed to modernise and rationalise. Otherwise, the inevitable result will be slow and steady deterioration in its production; and aggravation of the unemployment problem will be more and more felt. There is absolutely no doubt about that.

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Therefore, to say that rationalisation in any sense of the word is in any way detrimental to the interests of the workers is, I think, absolutely unjustified. Most of the statements made by my friend the other day are based either on an incorrect basis or have been highly and grossly exaggerated. And I want to give a few examples of the statements made by my hon friend the other day to show how he has built up his case on a very inaccurate and grossly exaggerated basis.

He talked about high profits and high prices of cloth. May I submit to my hon. friends that the present conditions of high prices for cloth or high profits for a few mills of the textile industry are exactly due to the policy which he has advocated? In other words, it is the lack of rationalisation and modernisation which is responsible for the maintenance of high prices for cloth and high profits for a few selected mills.

The position is that most of our textile mills are having absolutely old and out-of-date machinery. If the industry is to exist it means that the level of cloth and yarn prices has to be one which will allow the marginal and sub-marginal mills to sell their output at least on a basis which will enable them to make both ends meet. In other words, a few selected textile mills making high profits and these high prices of cloth have been exactly due to this lack of rationalisation and modernisation. If a large number of mills will be allowed to modernise and rationalise, automatically the competition will grow, cloth prices will come down, and the high profits, to which reference is made again and again, will disappear.

If you examine the profits made by the mills you will find that it is hardly 5 per cent. of the mills that make substantial profits. Out of the four hundred and odd textile mills that we have, the number of those which have been quoted by my friend or which can be shown to be mak-

ing very substantial profits will be not more than twenty or twenty-five mills throughout the whole country. That alone shows that those mills which are running on a most scientific and modern basis are certainly making today substantial profits. But that is exactly due to the fact that a majority of the mills have not been in a position to modernise and rationalise their working. If these mills are to exist, rationalisation and modernisation is necessary.

He talked about the automatising of looms. My friend Shri Bansal has already pointed out one aspect of the matter. But being one connected with the textile industry I can say that indeed a majority of cloth varieties cannot simply be woven economically on automatic looms. It is only certain plain sorts that are capable of being produced on a mass scale where automatic looms can work economically. Therefore it can be safely said that even if today the industry had the necessary finance and even if the industry were free to resort to automatic looms, at the most only twenty per cent. of the existing looms could be converted into automatic looms. Because, we have a very diversified production. There are different tastes in the country. And all those products like *dhoties*, *sarees*, fancy designs and a variety of other sorts cannot be economically woven on automatic looms. I do not think any prudent industrialist will go in for the complete conversion of his weaving shed into automatic looms to produce varieties which cannot be sold in the market at economic prices.

Therefore these figures about one lakh and eighty thousand workers being thrown out of employment as a result of automatic looms, are absolutely unfounded. Indeed, whatever automatic looms can be introduced, to the extent of twenty per cent., that scheme will also have to be undertaken in a period of ten or fifteen years. And I do not think any unemployment caused thereby will create the slightest problem.

He referred to the Calico Mills and to their scheme of having automatic looms. I understand from them that when they applied to the Government for automatic looms, they were asked to give an assurance that whatever automatic looms they may introduce, it should not result in any retrenchment of workers either permanent or even of temporary workers. The Calico Mills have given a definite assurance to the Government that in any scheme of automation, they will see that each and every worker of their weaving shed is absorbed. Therefore, there is no reason why the hon. Member should have created an unnecessary fear that the Calico Mills' scheme of automation will result in such and such unemployment.

He gave certain figures about Kanpur. He said that due to rationalisation, about 15,000 workers will be retrenched. My hon. friend Shri Bansal has already dealt with what has taken place in the Kanpur textile industry. It is not due to rationalisation, but it is due to lack of rationalisation. But, what I deplore is the incorrect information which my hon. friend gave the other day. The fact is that there was a tripartite conference in Naini Tal in May last, where all the three parties, I mean the Government, employers, I mean the workers' representatives, agreed to a certain scheme of rationalisation which will be introduced in the Kanpur textile industry without bringing in any retrenchment whatsoever. Here, I have got a statement from the hon. Labour Minister of U.P. He says:

"The ink is hardly dry on the proceedings of the Tripartite Conference recently held in Naini Tal in connection with the textile industry when statements of all kinds have begun to appear in the Press, which are likely to cause a good deal of confusion in the minds of those likely to be affected by any scheme of rationalization that may be adopted."

He refers to the details of the scheme and says:

"If anything happens that would nullify the effects of the spade-work done at Naini Tal, the responsibility for intensifying the helpless situation of the Kanpur worker and the unemployment which will result from it must be borne solely and entirely by those who are trying to stir up an agitation among the workers. I must also ask those who attended the Conference to work with firmness and courage and not allow themselves to be bullied by the campaign of suspicion and slander which, I have no doubt, will be started against them."

This shows that the scheme of rationalisation was being introduced in Kanpur with the full concurrence of the labour leaders and on the clear basis that no retrenchment of any worker would be allowed. Therefore, to create fears of retrenchment in Kanpur is totally unfounded.

Then, my hon. friend gave certain figures in regard to the unemployment created in the various centres in the country. My hon. friend Shri Bansal has given an overall picture. I have got here the figures from regional centres, which show that the figures given by the hon. Member were absolutely wrong. He said that in the Bombay city, 40,000 workers have been thrown out of employment, during the last 2 or 3 years. The figures here are: in the Bombay city we had in 1951, 2,01,681 workers and in 1952, we had 2,07,481 workers and in 1953 we had 2,08,348 workers. Actually there has been an increase in employment. Similarly, in the Bombay State, we had 4,00,238 workers in 1951. In 1953, the Bombay State textile industry employed 4,24,061 workers. There is absolutely no basis to say that there has been any unemployment in the Bombay textile industry during the last 2 or 3 years. He also referred to the B. & C. Mills in Madras. There also, the figures are exaggerated. He said that

[Shri G. D. Somani]

In one mill alone, 2,500 workers had been thrown out of employment. Here, I have figures. In 1951, they were employing 13,595 men. At the end of 1953, they were employing 13,099 men. Of course, 500 workers seem to have been reduced. My hon. friend said that in the Madura mills, 3,000 workers had been retrenched. In the Madura mills, in 1951 they were employing 22,531 men and in 1953, they were employing 22,484 men. Actually, there is absolutely no difference between the number of workers which they were employing in 1951 and 1953.

Kumari Annie Mascarene (Trivandrum): Where did you get these figures?

Shri G. D. Somani: On the basis of the statistics maintained by the Mill Owners' Association. I am prepared to vouch for their accuracy.

Mr. Chairman: The hon. Member has already taken 15 minutes.

Shri G. D. Somani: I shall finish in five minutes.

We were told of the work-loads. I am prepared to invite any of my friends here interested in labour welfare to visit a modern mill and also an old textile mill and find out whether it is the modern mill which ensures better working conditions and lesser work-load or whether it is the old, outmoded machinery on which most of the workers, at present, are working, which is detrimental to the welfare of the workers. We need not go far. We can go to the Swatantra Bharat Mills in Delhi, of Shri Ram. This is one of the most modern mills in the country. A visit to that mill will show how the conditions are better in every sense of the word. They have got lesser work-load, better humidity and better working conditions than what can be said to be available in any mill which has got an antiquated machinery.

About wages, there is a definite agreement in Bombay and other textile centres wherever any mill is allowed to

rationalise. Suppose we have got about 400 spindles for a spinner and two looms for a weaver. Before rationalisation is allowed, they come to an agreement that, if a spinner is to have 800 spindles and a weaver four looms, they have to observe certain working conditions and they have to give about 50 per cent. increase in the wages. Certain figures are here which show that a spinner must get this and that. Therefore, to say that the worker does not get any benefit from rationalisation is a thing which is absolutely misleading.

So far as exports are concerned, I need hardly say that competition has been increasing. In Japan, the total percentage of labour cost for 20s is 6 per cent. of the total cost while in India, our labour cost in the total manufacture is about 25 per cent. You may well realise the tremendous handicap in which our industry is working. Of course, we have got cheap cotton at present and therefore, the industry is in a position to compete in the world market. But, this position cannot continue indefinitely and the moment price of cotton in the world markets and in India attain parity, a position will be created in which it will be very difficult for our textile industry to compete in the world markets. We have 20 per cent. of our production under export and that means that about 1 lakh workers will be affected adversely if the industry is to lose its export market. Looking at the question from all points of view, I submit that rationalisation is absolutely in the interests of the workers, that those who are connected with the industry want to introduce rationalisation without in the least causing widespread retrenchment or unemployment and that it is possible with goodwill and harmony to work out the conditions in detail which would allow individual units to rationalise without causing any dislocation to labour.

Mr. Chairman: I intend to call upon the hon. Minister to reply about 4.20 P.M. Therefore, I would like to reduce the amount of time from 15 to

10 minutes for each hon. Member so that I can accommodate a few more Members.

Shri K. P. Tripathi (Darrang): I thank you for giving me this opportunity to speak. This question of rationalisation as a controversy was started during the last Budget session, as you will remember, after the speech of the hon. Finance Minister. Since then, the country, the various parties and the Government have done a lot of thinking on this question and several pronouncements have been made. I remember the statement made by Shri T. T. Krishnamachari who said that there should be rationalisation without tears. The Prime Minister was reported as saying, that first of all, a pool of employment should be created and then only rationalisation thought of. This will show that there has been a very live controversy in the country and the whole country has taken an interest in this question.

What is the problem? The problem is whether there should be rationalisation or not. I divide the problem into two parts. One is that portion of rationalisation which is going on from day to day, that is, the increase in the work-load on the worker in terms of the agreement between the parties. Secondly, the work-load increase which is caused by the automatisisation of machinery. Automatisisation is a new phenomenon altogether. When automatisisation occurs, the number of persons thrown out is very large. Therefore, the question of not creating unemployment becomes very difficult. When ordinary rationalisation occurs, then it is possible for the unit just to so manage that by merely not recruiting new hands the thing can be managed. So, new hands are not taken in. So, no unemployment occurs, but potential unemployment does occur in that case also. But, with regard to automatic looms, when they come, the number reduced is so many that unemployment does occur. So, the question is what should be done.

First of all, with regard to the ordinary type of rationalisation, it will be remembered that our organisation had agreements with the employers whereby it could be brought about. The principles were agreed to. What are the principles? The principles are that firstly there shall be a bi-partite agreement between the parties. Even in the Planning Commission's report it is mentioned that there shall be bi-partite agreement between the parties.

Then, the second question, which is a very important principle, is that there shall be sharing of gains. The increased work-load put on the worker must be compensated and that also must be by bi-partite agreement. Therefore, it is not a question of Government imposing the rationalisation by some machinery, but it is a question of the employers and workers coming together for the purpose of agreement with regard to the sharing of the gains.

So, these two things are very important and the third thing which has occurred now at this juncture of our economy, is that there shall be no unemployment. There may be an economy like the American economy in which there is no unemployment. A man is employed before he is thrown out of another industry. Such is the labour mobility there, but in our country that mobility is not there. Therefore, in our country it is very important and essential to see that no unemployment occurs.

As I told you, in the ordinary process of rationalisation, which is a result of non-automatisisation, the agreement covers it, and to that extent we have agreed. But this question became a very live issue when the question of automatic machinery was brought in. An application was made before the Government and that application was under consideration, and we got very much apprehensive and this controversy started.

Now, if, automatic machinery is introduced, what will happen? The

[Shri K. P. Tripathi]

question has been mooted in this way, that the labour wages will increase. The question is whether they will increase. If they will increase, at what percentage?

The second question is: how many workers will be thrown out? What will be the result of these workers being thrown out on the general economy of the country? That question is the most important that has been raised.

Then, the third question is whether consumers will benefit. As a matter of fact, when Shri Ambalal Sarabhai came and discussed this matter with the Planning Commission, the Finance Minister was there. He put a question to him: "Do you think that the prices will go down as a result of automatisation?" The reply was "No". Why? Because, prices are controlled by the market conditions, and therefore prices cannot go down. That was the reply. So, the great hope expressed by Mr. Gadgil that prices will come down as soon as automatisation occurs is not true.

The next point is that although the number of workers will be reduced, the depreciation cost will increase, and therefore, actually there will be not much saving in the running of the machinery and the mill. Therefore, from that point of view it was found that the cost would not decrease. That is, the consumers would not benefit. As a matter of fact, if automatisation had decreased the cost, then the British and the American manufactures would have been cheaper than they are today, than our cloth, but that has not happened because automatisation and rationalisation has all over the world increased the wages and it goes on increasing the wages. The reason is this, that in modern industry less and less people are employed, and therefore, in each industry the number employed goes down. The result is that it has to be counterbalanced by higher wages so that the employment in the tertiary sphere might increase.

If there is no increase in the wages, there is no increase in the tertiary sector, and therefore, there is no advantage to the country.

At present, only seventeen per cent. is employed in the tertiary sector. If wages do not rise, if higher wages are not there, then this percentage of population cannot increase. Therefore, it was found that something should be done.

The Planning Commission's report has stated that nearly 1.8 million, i.e., 18 lakhs people come to ask for new jobs every year. So, in five years nine million persons would be asking for new jobs. As against this, the Planning Commission's estimates are that the number of new jobs created would be only five million. Therefore, there will be a deficit of four million. Now, if the picture is this, viz., that there is a deficit of four million jobs in five years, then, obviously, unemployment is increasing in our country. In this background of increasing unemployment we say that we should not take any step which creates further unemployment. So, we are not discussing this in a vacuum. We are merely saying that in the present context with regard to automatic looms we should go slow. We should wait till we have created sufficient employment. I would here again repeat the statement of the Prime Minister who said that we should create first of all a pool of employment and then go in for this type of rationalisation. And I fully agree with him. And the whole point is how quickly we can create a pool of employment.

You will remember, Sir, that the private sector was given about Rs. 300 crores for the purpose of developing industries in this Five Year Plan but unfortunately the development of industries has not been commensurate, and the result has been that that has not been fulfilled which was expected of them. It is from this point of view that in a very limited sense we say: Look at the present conditions.

If you think that under the present conditions it is most dangerous to launch upon any scheme of rationalisation which creates large-scale unemployment, then go slow on this.

Take for instance, jute. If you undertake rationalisation in jute, in Calcutta, with the growing unemployment background there, what will be the result? I have yet to know of any person who would dare to put in automatic machinery there, and create unemployment in the present background.

Shri Bhagwat Jha Azad (Purnea *cum* Santal Parganas): But, will the industry survive in competition with world conditions?

Shri K. P. Tripathi: I am just coming to that.

With regard to jute, the Chairman of the Jute Association, Mr. Gardiner, in his last speech said that it is wrong to say that jute machinery in India is inefficient. It is his statement, not mine. He himself said that it is wrong to say that the jute machinery in India is inefficient. Therefore.....

Shri V. B. Gandhi (Bombay City—North): He referred only to jute looms, but he certainly did admit that the other preparatory machinery was out of date.

Shri K. P. Tripathi: Quite true. Therefore, what we have to do is first of all to rationalise in those sectors where rationalisation is possible without creating unemployment.

Now, if you look at the Productivity Enquiry Committee's report, you will find that a large number of suggestions have been made, and many of the suggestions relate to rationalisation of the management, rationalisation of the lay-out of the plan, rationalisation of the utilization of the scrap material, rationalisation of many other things which do not require automatic machinery at all. Has any of them been done? It has recommended improved conditions of workers and working in the mill machines. That has not been done. So, we have to look at it from a

rational point of view. Here is the question of rationalisation, step by step. We have to take that step in the present context which is absolutely necessary and essential and warranted by circumstances. When the country is faced with growing unemployment, that is not the time for taking up the type of rationalisation which creates unemployment. When the country has no unemployment, then is the time for taking that step. Therefore, I suggest let us take from the Productivity Committee Report that step which will bring down the cost.

My information is that if you undertake those reforms which have been suggested by the Productivity Committee, 15 per cent. of the cost would come down. If fifteen per cent. of the cost come down, our goods will be able to sell, we will be able to compete in the world market. My time is up.

Mr. Chairman: The hon. Member may finish his point.

Shri K. P. Tripathi: As a matter of fact, in this question there are so many things which have to be said that nothing can be finished.

I was just talking about jute. Now, I have figures only up to 1951 of profits. One thing I have shown, that fifteen per cent. of the cost be reduced by mere rationalisation of the management lay out, etc. With regard to profits up to 1951 I find the profit index shows that it was, in 1940, 359, and in 1951, it was 679. This is with regard to jute. With regard to cotton, the profit index was 142 in 1940, and 551 in 1951.

Shri Sadhan Gupta: Which is the base year?

Shri K. P. Tripathi: So, the profit index has been increasing all these years. So, if there is a decline in the profit index slightly, the industry will not totter; it can absorb further shocks of lesser profits for some time. I would, therefore, suggest that it is possible for us to go slow with regard to the automatism of looms.

[Shri K. P. Tripathi]

If you go in for automatic looms, you have to procure them from outside and not from the existing machinery that is produced in India. The result will be that the ancillary machine industry will die, and further difficulty will arise.

My hon. friend over there quoted figures to show increasing employment in the textile industry. But they did not take into account the loss in employment in the cottage industry sector. When you are talking of textiles, you must have the complete picture of textiles before you. When you are talking of textile production, you must take into account along with the textile machinery production, the cottage industry production also. Now, what is the number of people employed in the cottage industry sector? I am told that nearly a crore of people are subsisting on the cottage industries. If you say that you have been able to increase employment for about 200,000 on this side, I would like to ask what is the number of people thrown out on the other side. For that, there are no statistics. Most unfortunately, in our present economy, there are no statistics available in respect of that, and therefore, we do not know what is happening in this sector. It is for this reason that we are liable to take a partisan or sectional view. I do not want to look at this problem from a sectional point of view at all, but I am looking at it from the point of view of the total economy of the country. It is from this point of view that I say that with regard to automatization, we should go slow. I most humbly submit that if you really go in for automatization of the jute industry in Calcutta, I do not think that you can do it without bringing about a revolution there.

The Chairman is looking at me, to say that my time is up. I had many things to say, but since there is no time, I shall conclude.

Shri N. C. Chatterjee (Hooghly):
I am sorry that this rationalisation

problem has come up immediately after the debate on the Special Marriage Bill. *(Interruptions).* Reason is clouded by passion. I am one of those who would like to plead before this House for a rational approach to this problem of rationalisation. Now, it is no good condemning our comrade Shri Punnoose and saying that he said many things which he ought not to have said. Really, the problem is, to a large extent, psychological. Labour is very unhappy and is suffering from many apprehensions. It is our duty to see that labour is not unfairly dealt with owing to this rationalisation of industry and rapid mechanisation of some sectors of our industry.

In advanced countries like the U.S.A., the trade unions themselves accept as necessary the continuous process of technological improvement in industry, and they often actually encourage it, and they share the responsibility in carrying it out. Union executives in those advanced countries have fully realised the fact that the best job security for their members lies in sound cost-reducing programmes. I hope that the union executives here will also appreciate that aspect of the problem, and approach it in an objective manner.

But the management also should do its duty. Managements desirous of rationalising and putting through measures of mechanisation of industries in India must realise that they have a number of obligations to fulfil. The first obligation that they must fulfil is this, that they must ensure that they are themselves efficient and economical. You know as the Chairman of the Company Law Select Committee the charges and allegations made against the managing agents, and how those allegations have been met. The allegation is that they are really taking too much share of the profit and that they are really fattening at the cost of national economy. We should see that that is not allowed to be done under the garb of rationalisation.

Secondly, they must make every effort to absorb as many redundant men as possible in other jobs. Surely, they must help the State seriously, wherever possible, in training and re-training those rendered surplus, who cannot immediately find alternative jobs in existing trades. If proper jobs cannot be found for them, they must be ready also to pay suitable and adequate compensation to those unfortunate few who are thrown out of employment due to no fault of theirs.

Finally, they must show an unequivocal readiness to share with their employees and with the consumer the benefits of rationalisation, and they must show that production is really cheaper, and thus they must do good to the people at large. We are very happy to find that in a recent speech delivered by Shri J. R. D. Tata, the Chairman of the Tata Iron and Steel Co., Ltd., one of the big bosses of capital, has said that they are not going to rationalise at the expense of labour, and they are fully conscious of our obligations. I only wish that the hon. Minister would give us some hope and assurance and would also give an assurance to labour that rationalisation would not mean really fattening the capitalists at the expense of labour or at the expense of the poor people of this country, and that although there is colossal unemployment still, which is making us unhappy, and although it will lead to a short-term unemployment, still—the hon. Minister ought to assure us, this Parliament, as well as the nation—that in the long run, it would be doing good both to labour and capital, management and industry, as well as to the people at large.

There is a certain amount of antagonism towards rationalisation, and that is rooted in the old mediaeval belief that mechanisation of industry automatically leads to unemployment. Shri Bansal was talking about those people who broke Hargreaves's

spinning jenny and the looms, when mechanisation was started in the textile industry in England. But in one generation, after mechanisation was introduced in England, ten times more people were employed in the mechanised textile industry. Really, it is the industrial revolution that made England economically prosperous. The greatest rationalisation has taken place in the U.S.A., from 1939 to 1950. In the manufacturing industries, the production has gone up by seventy per cent., and if you take the total statistics, you find that in half a century, the number of people employed in that country has gone up from 18 millions to 60 millions.

Therefore, if you look at it in an objective manner, you will find that although there will be some temporary hardship, yet, on the whole, it will do good both to labour and capital, as well as to the public at large. Having regard to our civilisation and our tradition, we do not like machines, yet we must remember that machines, after all, are the greatest and the biggest creators of jobs. They have solved unemployment to a large extent in modern countries. Although there may be limited temporary unemployment, yet, I am quite sure, ultimately, it will do good to the country.

My hon. friend Shri K. P. Tripathi, for whom I have great respect, has said that if there is rationalisation in the jute industry in Bengal, there will be a great revolution there. Coming from Bengal, I can say that there will be nothing of that kind there. There will be no revolution there. There may be some trouble created by some communist friends and some comrades, but we know that there will be nothing like a revolution there.

I can assure you and the House that in the jute industry in Calcutta, they are contemplating to spend only Rs. 50 crores, but even that money is not available. In the entire textile industry, they are thinking of spending

[Shri N. C. Chatterjee]

Rs. 350 crores for rationalisation, and even that money they cannot procure. Therefore, even if you embark on rationalisation, it will only touch a fringe of the industry, and not very much of it, and there will not be any large or colossal unemployment. On the other hand, ultimately, the greater volume of unemployment resulting from loss of our export markets will be offset by rationalisation.

So, you must face facts. You cannot be a first-rate industrial country in the world, unless you discard your outmoded and inefficient machines. Of course, our machines are inefficient in many sectors, and it is high time that we face realities, and approach the problem in a proper, scientific, rational and also national manner.

श्रीमती तारकरवरी सिन्हा (पटना पूर्व) : सभापति जी, मुझे अफसोस है कि मंत्री महोदय की समझ में हिन्दी अच्छी तरह से आयेगी नहीं, फिर भी यह इरादा मैंने कर लिया है कि मैं ज्यादा से ज्यादा हिन्दी में ही बोलूँ। इस-लिये मैं इस बार हिन्दी में ही बोल रही हूँ। आशा है कि मंत्री महोदय मुझे क्षमा करेंगे। वैसे तो मैं बिल्कुल बोल बाल की हिन्दी बोलूँगी जिसमें कि वह उनकी भी समझ में आ जाय।

इस प्रस्ताव के बारे में बहुत कुछ कहा जा चुका है। यहाँ पर दरअसल यह सांचा जा रहा था कि रेशनलाइजेशन जो है वह सरकार ही कर रही है हमारे श्री चॅटर्जी जो कि विरोधी दल के हैं वह ऐसा ही सांचे रहे थे। मुझे भी ऐसी कोई बात नहीं मालूम होती। आज के भाषणों को सुनने के बाद से कोई इन्सान जो कि एक ऐसी आर्थिक दशा में विश्वास करता है जिस आर्थिक दशा का ढांचा एक योजना के उमर निर्भर हो जैसे हम लोगों ने पंच वर्षीय योजना बनाई है, आगे और भी योजनाएं बनाएंगे और बन रही हैं, वह अवश्य वह उम्मीद कर सकता

है कि बराबर हमारी आर्थिक स्थिति में सुधार होगा और हम लोगों को काम दूँ सकेंगे और लोगों की जिन्दगी के दर्रों को भी ऊँचा उठ सकेंगे। और अगर लोगों को यह विश्वास न हो कि पांच दस वर्षों की योजना के बाद भी हम अपने भाइयों की आर्थिक स्थिति में सुधार कर सकेंगे, तो फिर वह योजना योजना नहीं रहे जाती। इसलिये यह कहना जैसे कि हमारे त्रिपाठी जी ने कहा कि हमारे पास आज कोई उपाय नहीं है जिस से कि हम लोगों को काम दूँ सकें, गलत है। हम को इस सम्बन्ध में अपने उमर विश्वास रखना चाहिये। यह ठीक है कि हूँ इन्सान अपने तजुबों से ही होशियार होता है। खेत के अन्दर हलबाहा हल चलाता है, उस के लिये किसी तरह की डिगरी की जरूरत नहीं है। अगर कोई इन्सान बी० ए० पास कर के, एम० ए० पास कर के हल चलाने के लिये जाय तो वह चला नहीं सकेगा। यह मामूली सी बात है, इस में दिमाग के लगाने की जरूरत नहीं है। अगर अपनी पंच वर्षीय योजना में हम सब काम नहीं कर सकें हैं, या हम बेकारी की समस्या को हल नहीं कर सकें हैं, तो इस का मतलब यह नहीं है कि आज जो बेकारी की समस्या है वह कल भी रहे जायेगी। हम अपने अनुभवों से शिक्षा ले कर उपाय करेंगे और करने भी चाहिये।

जहाँ तक रेशनलाइजेशन का सवाल है बहुत से भाइयों ने इस के खिलाफ कहा। मैंने त्रिपाठी जी के भाषण को भी सुना उन्होंने इस के खिलाफ दो चार बातें कहीं और वह समझ में आने वाली बात है। ऐसी बातें आज कल जो मजदूर वर्ग हैं उन के दिमाग में रहती हैं और एक मजदूर वर्ग के नेता होने की हींसियत से उन का कर्तव्य हो जाता है कि वह इन बातों को सभा के सामने रखें। पर बात यह है कि मजदूर वर्ग में आज जो यह डर है वह कहीं तक उस्तों पर निर्भर है ? जैसा आज हमारे चॅटर्जी साहब ने कहा कि वह एक साइकोलाजि-

कल डर हो गया है, एक दिमागी डर हो गया है, देश में एक इस तरह की हवा पैदा हो गई है कि बेकारी की समस्या इतने बघों से देश में चारों तरफ छाती जा रही है और बिना सोचे समझे बेकारी का नाम सुन कर हम हाहाकार करने लगते हैं और धरधरा उठते हैं। कोई यह नहीं सोचता है कि प्लान्ड एकानमी के साथ बेकारी नहीं आ सकती है।

हमारे देश में जहां तक जूट और कपड़े के उद्योगों का सवाल है, रेशनलाइजेशन की जरूरत फिलहाल दोनों ही उद्योगों में महसूस की जा सकती है क्योंकि इन दोनों उद्योगों को अपने को चलाने का मौका नहीं मिला। जब से वह उद्योग धंधे हमारे देश में आये बराबर उन को सरकारी सहायता मिली, देश के अन्दर उन को फसलने फूलने का मौका दिया गया। कपड़े के उद्योग के लिये तो यह कहा गया कि हम अपने ही घर की चीजें इस्तेमाल करें। इसीलिये उस को कभी अपने माल को बाजार में भेजने और बाजार भाव से बढ़ाने का मौका नहीं मिला, अपनी चीजों का दूसरे देशों की चीजों से मुकाबला करने का मौका नहीं मिला। उस के बाद लड़ाई आई। उसके अन्दर क्या हुआ? अभी हमारे त्रिपाठी जी ने कहा कि सन् १९५१ में इस उद्योग को बहुत प्रॉफिट हुआ। प्रॉफिट हुआ लड़ाई की वजह से, न कि एफिशिएन्सी की वजह से। यहां आर्थिक परिस्थितियां ऐसी हो गई थीं जिन की वजह से इतना प्रॉफिट हुआ। वह इसीलिये नहीं हुआ कि हमारे उद्योगों में पहले से अधिक एफिशिएन्सी आ गई थी। मैं आप को आंकड़ें दे कर बतलाती हूँ कि हमारे यहां की एफिशिएन्सी दूसरे देशों के मुकाबले में कितनी है। अमरीका में एक आपरीटिव १५०० से ले कर २१०० स्पिन्डल तक चलाता है। जापान में १६०० से ले कर २००० स्पिन्डल तक चलाता है। वहां पर भी बेकारी की भीषण समस्या है और वहां इस लड़ाई के बाद सब कुछ बरबाद हो गया था, उन का घर ही बिस्कुल

स्वाहा हो गया था, लेकिन वहां के फिगर्स को देखते हुए पता चलता है कि वहां पर हमारे यहां से ज्यादा एफिशिएन्सी है। एक आदमी १,६०० से ले कर २,००० तक स्पिन्डल चलाता है। इंग्लैंड में जहां पर अब भी बेकारी की समस्या मौजूद है,-- दरअसल आज कल इंग्लैंड और हिन्दुस्तान दो ही देश हैं जहां पर रेशनलाइजेशन की समस्या को ले कर बहुत सोच-समझ कर आगे बढ़ा जा रहा है--वहां भी हम देख रहे हैं कि एक आदमी ५०० स्पिन्डल चलाता है। लेकिन हमारे हिन्दुस्तान में एक आदमी सिर्फ ३५० स्पिन्डल चलाता है। यह तो रही स्पिन्डल के चलाने के बारे में।

अब देखिये कि लूस एक आदमी कितने चलाता है। अमरीका में आटोमैटिक लूस है। वहां पर एक आदमी ६० लूस तक चलाता है। जापान में २० से ले कर ४० आटोमैटिक लूस एक आपरीटिव चलाता है। इंग्लैंड में जितने आटोमैटिक लूस हैं वहां पर एक आदमी १४-१५ लूस चलाता है। लेकिन हमारे हिन्दुस्तान में एक आदमी कितने लूस चलाता है आप सुनकर हैरान हो जाएंगे कि यहां पर एक आदमी सिर्फ दो ऑडिनरी लूस चलाता है। इस तरह की बातें हैं। कहां एक तरफ ६० लूस और कहां दूसरी तरफ दो लूस।

श्री क० वी० त्रिपाठी : वहां पर मजदूरी कितनी है ?

श्रीमती तारकेश्वरी सिन्हा : मैं उस पर भी आती हूँ। इस उद्योग को पनपने की कोई गुंजाइश इस तरह से नहीं हो सकती। आप एक्सपोर्ट मार्केट के बारे में तो बातें न करें, अगर रेशनलाइजेशन के बारे में आप न सोचें। रेशनलाइजेशन का विरोध करना और एक्सपोर्ट मार्केट की बातें करना, ये दोनों बातें साथ साथ नहीं चल सकतीं। तुलसीदास जी ने कहा है :

“हंसव, ठठाव, फुलायव गाल्.....”

कोई हंस भी और यह भी चाहे कि मैं मुंह भी फुलाने दूं, तो यह दोनों बातें साथ साथ

[श्रीमती तारकेरवरी सिन्हा]

नामुमीकन हैं। इस तरह से आप का काम नहीं चल सकता है। अभी जपान को आप के वहां आने का मौका नहीं मिला है। अभी आप ने अपने वहां आर्टिफिशल कन्ट्रोल रक्खा है और आप को आप जितनी चाहें उतनी सुविधाएँ एक्सपोर्ट के लिये मिली हैं, यह बात जरूर है, लेकिन फिर भी आप अपनी चीजों को दूसरों के मुकाबले में खपा नहीं सकेंगे। जब दूसरी जगहों की चीजें बाजार में आयेगी तो आप उन से किस प्रकार से कहेंगे कि वे आप के मुकाबले में न आये ?

श्री कै० पी० त्रिपाठी : कम्पटीशन हो रहा है।

श्रीमती तारकेरवरी सिन्हा : त्रिपाठी जी कहते हैं कि वह कमेटी कर रही हैं। मैं आंकड़ें दे कर बताती हूँ। आप देखिये कि पहले हमारा कपड़ा इन्डोनेशिया में जाता था लेकिन जब जापान मार्केट में आ गया तो, उस ने इन्डोनेशिया को सन् १९५२ में २०२.२६ मिलियन यार्ड्स दिया, जहां कि १९५२ में १२५.५४ मिलियन यार्ड्स दिया था। वहां हिन्दुस्तान की हालत यह है कि उसने अपना कुल २७.५६ मिलियन यार्ड्स कपड़ा भेजा। आखिर इतना कम कपड़ा क्यों भेजा ? इसी लिये तो कि आप मार्केट के कम्पटीशन में दूसरों के मुकाबले में ठहर नहीं सकते। हमें कोई उम्मीद नहीं है कि इस तरह से भविष्य में जो हमारे उद्योग धंधे हैं वह विदेशी मार्केट में जा कर बढ़ेंगे। वह कभी फल नहीं सकते। जितने हैं उतने ही ठहर जायें तो यह बढ़ी गनीमत की बात होगी। इस लिये यह सोचना कि हम बच कर चले जायेंगे और मैनजमेन्ट को सुधार लेंगे, यह सोचना गलत है। त्रिपाठी जी ने कहा कि अगर हम मैनजमेन्ट को सुधार लें तो हमारा २०-२२ परसेंट कास्ट वाफ प्रोडक्शन बच सकता है। आप यह आंकड़े कहां से लाये हैं ? और यह राय कैसे कायम कर ली है ? जैसा कि आप कहते हैं कि मैनजमेन्ट में

खराबी है। हम अगर मान भी लें कि उन में खराबी है तो भी उस से कोई फर्क नहीं पड़ता है। वहां के जो काम करने वाले हैं उनको आप कुछ रुपया कम भी दें दें, लेकिन जो मशीनरी की प्राइस है उस में आप कैसे बचत करेंगे ? मशीनरी के बदलने में आप किसी तरह की बचत या रोक थाम नहीं कर सकते हैं। रहा मैनजमेन्ट का सवाल जिसके बारे में उन्होंने कहा कि मैनजमेन्ट के खर्च को कम करना चाहिये। तो मैनजमेन्ट पर कुल खर्चा ०.६२ प्रतिशत आता है। हमने माना कि आज मैनजमेन्ट का खर्चा कम कर रहे हैं, जैसा कि श्री गाहागिल ने कहा कि मैनजमेन्ट के खर्च को कम किया जाय, लेकिन हम कितना कम कर सकते हैं ? क्या इस से हम रेशनलाइजेशन की कमी को पूरा कर सकेंगे या मिल की कमियों को पूरा कर सकेंगे ? इस लिये मैं इन बातों पर विश्वास नहीं करती। एक बात जरूर है कि जहाँ तक हमारे मंत्री महोदय का सवाल है उनके सामने अनएम्प्लायमेंट का बड़ा भारी प्रॉब्लम है जो कि आज देश में बड़ा प्रॉब्लम बना हुआ है। इसकी वजह से देश में हाहाकार मचा हुआ है। आज मजदूरों की आवाज बहुत जोर की है। जो खेती बारी करने वाले हैं उनकी आवाज तो नक्कारखाने में तूती की आवाज के समान है। उसको कोई सुनता ही नहीं। हां मजदूरों की आवाज में आज ताकत है और इसीलिए उनकी आवाज सुनी जाती है। मैं मंत्री जी से कहूंगी कि वे रेशनलाइजेशन जरूर करें लेकिन इसको बहुत धीरे धीरे ले चलें क्योंकि इस धीरे धीरे चलने में हमारे साथी भी हमारे साथ रहेंगे। दिल्ली में जो १९५१ में एग्जिमेंट हुआ था उसमें जो लेबर के नुमायन्द आये थे उन्होंने इस बात को स्वीकार किया था कि रेशनलाइजेशन हो, लेकिन कुछ बातों को मानकर चला जाय। जैसे मान लीजिये कि कोई आदमी रिटायर हो रहा है, या कोई बूढ़ा हो गया है, या किसी की मौत हो गई है तो

उसकी जगह किसी दूसरे को एम्प्लाय न किया जाय और वहां उसकी जगह ओटोमैटिक लूम से काम लिया जाय।

बस मुझे इतना ही कहना था।

Shri Tushar Chatterjea (Serampore)
rose—

Shri Bhagwat Jha Azad: Are we who have moved amendments getting any chance or not?

Mr. Chairman: Please wait.

Shri Tushar Chatterjea: Sir, in the very short time at my disposal I will just touch upon the points on which very little has been said. The facts that I will place before you of the jute industry will prove how dangerous is this rationalisation policy that is being pursued by the employers and that is being supported by the Government.

The mover of the resolution has said many things in detail. He has dealt with the general aspects; he has dealt with the textile industry and also with the jute industry. I shall cite some very revealing facts. About the jute industry, it is said that rationalisation or modernisation of the machinery is necessary if the industry is not to lose its competitive capacity. Many of the spokesmen from the capitalist side and also Shri Chatterjee said that this industry must be kept on a sound footing so that its competitive capacity should be all right. The jute mill owners and the Government and all sorts of capitalists say that rationalisation or modernisation is necessary in this industry to keep that competitive capacity. I will show how this competitive capacity can be maintained even without bringing in new machines. Is the position of the jute industry such that it is running at a loss at present? If that is so, then, of course, we need not have grudged the modernisation of machinery so that the industry may be maintained in the country's interests.

Shri Tripathi has already quoted certain figures about profits. I have also some other figures. If we take the profit figures of 1939 as 100, in 1948 the profit was 381, in 1950, it was 458

and in 1951, it was 679. These are all figures from the *Eastern Economist*. Taking one of the mills individually owned by Jardine and Andersons, their net profits in the six months between April to September 1952 was Rs. 19 lakhs. In the next six months, that is, September 1952 to March 1953, it rose to Rs. 34,54,000. Take some other mills. Under the Gillanders' Managing Agency, the dividend figures of eight mills were published and it is found that the dividends increased in some cases to twice and in some cases to thrice. (*Interruption*).

In the statement of our Deputy Commerce Minister on 16th May 1954 it was clearly stated that the jute industry had made record export in the month of March 1954. He also said that the demand abroad is quite all right and increasing. The point is this. I put before the House all these figures and what the Minister says. How can we understand that the industry has suddenly come to such a critical position that unless modern machinery is introduced resulting in the unemployment of lakhs of workers the whole industry will collapse within a year or two? Most probably, from the Government side it will be argued that recently the Jute Enquiry Commission went into the conditions of the jute industry and they have approved of the rationalisation scheme and they say that without rationalisation this industry would not be able to run smoothly. Here I want to say, whatever the recommendations of the Jute Enquiry Commission may be, we are not going to accept those recommendations. Why? Mainly because that Commission has conducted its enquiry in a completely one-sided way. No representative of the Trade Unions, INTUC or AITUC or any other, all-India organisation, has been called upon to give evidence before the Commission. If you read the report, you will find that no labour interest or public interest was allowed to come before the Commission and give evidence. For the last 10 or 15 years, not only labour organisations but also public bodies have expressed the opinion that the jute mill owners have been

[Shri Tushar Chatterjea]

reaping huge profits. They prepare their accounts in such a way that they keep their true profit position concealed. Not only in Bengal, but from other parts of India also, demand was made that these jute mills must be subjected to a tripartite enquiry in which labour interests, employers' interests and the Government must be represented. They must be able to scrutinise the accounts and the financial position of these jute mills. Unless that is done, no patriotic-minded person will be in a position to accept the recommendation of the Jute Enquiry Commission.

We must actually look into what is going on in the jute mills. (*Interruptions*). Not only retrenchment is resorted to in places where new machines have been introduced, but it is done in places where no such new machine has been introduced. Progressive retrenchment is going on everywhere. I have got the figures. I can refer to many individual mills but that I would not do so because my time is up. A certain percentage of workers is being constantly reduced under different pretences. Whenever a worker goes out on account of superannuation that place is not filled up. The work is imposed on the other workers who are already there. That means workload is being greatly increased.

4 P.M.

Then, Sir, if you go into details you will see that the percentage of temporary workers is increasing. If these things are happening then it must be understood that the jute mill bosses are pursuing rationalisation policy, not for the sake of improving the industry but for the labour-saving devices simply to reap more profit so that they can have better days on the blood and sweat of the millions of our people.

Shri Bhagwat Jha Azad: Sir, while I was cursing my lot.....

Mr. Chairman: I think the hon. Member should not refer to that. He may speak on the resolution.

Shri Bhagwat Jha Azad: Sir, I am perfectly at liberty to say what I want to speak, however hard I am given the ruling.

While replying to the general debate on the Budget, the Finance Minister observed:

"While everything possible should be done to alleviate hardship caused to labour temporarily displaced, they should not do anything which would ban all technical progress and inhibit the growth of employment."

This reference to rationalisation gave a chance to the country to discuss the matter and this evoked all round discussion in all the parties—in industry in particular—and other circles. Good that came out of that discussion is that everybody now desires to adopt a 'rational' approach to the problem of rationalisation and a sweeping condemnation of rationalisation would be highly irrational. Each one of our friends who have spoken in this House, has appealed for rational approach; whether he represents labour, businessmen or some other group, all speak for a rational approach. The difficulty, Sir, is as to which is the rational approach. In this country of ours, the best policy for us is to find out a proper formula of industrial organisation which will give us the maximum production and also the maximum employment. Therefore, we have to find out whether the machinery that we have got at present, either in textile mills or in jute mills, is fit for our conditions, or whether we have to change it. It is all a question of whether we can work with the old machineries or we have to look round us and supplement or substitute our machinery with up-to-date machinery that the world has.

There is no denying the fact that modernisation of our industry will surely cause displacement of labour. It is all a question of finding out whether such displacement of labour on the one hand, and the advantages that will accrue from such modernisation

on the other will balance each other or one will go against the other. I for one feel that, though there will be displacement of labour, there should be sufficient safeguard given to such displaced labour. If that is given, whether it is managed either by the industry or by the Government, I feel that it is desirable to have rationalisation.

So far as textile industry is concerned, much has been said and I do not want to refer to that industry though I have much to speak about that industry. I will now speak regarding the jute industry. Some of our friends have said that if we rationalise the textile industry there will be 1,80,000 labourers displaced out of a total of 2,00,000. Though there will be displacement, I feel that the displacement will not be a grave problem. On the other hand there will be reduction, definitely, in the cost of production. My friend Mr. Tripathi has said that in a question to our Finance Minister, it was said that somebody from the business community stated that there will be no reduction in the cost of production. That is the point. They want to take this assurance beforehand, that even if there is rationalisation and consequent reduction in cost of production, they will get the profit. It is left to Mr. Tripathi or my friends on this or that side of the House to point out that if there is reduction in cost of production, the profit should not go into the pocket of the millowners. It is not that we should not bring this new up-to-date machinery. The question is, whatever reduction in the cost of production is made should be passed on to the consumer. I am sure if there is nine pies—as it is said—reduction in the cost of production, there will be an additional consumption of 300 million yards which will lead to the employment of half a lakh of labour of our country.

So far as jute is concerned, I feel rationalisation in jute industry is an imperative necessity for us. If you look round the world you will find how pitiable is our position with regard to jute industry. After the World War II considerable development had been made

in this industry and some of the leading countries of the world like France, Germany, Australia and Pakistan have gone much ahead of us in the world market. Instead of talking on theories I will quote some figures which will show the advances made by those countries regarding rationalisation of jute industry.

Since World War II French jute industry has made notable strides. The output of yarn rose from 80,000 tons in 1938 to a round figure of 1,01,000 tons in 1951. A slight set-back in 1952 and then in 1953, 91,700 tons. Before 1939 it supplied the needs of the home market and there was no export at all. But, today their exports have risen to some 30 thousand tons, worth something like 48,40 million francs. They are exporting to countries abroad and United States of America which ranks high among their overseas customers purchased in 1953 a total of 10,000 tons worth four million dollars, which is an increase of 25 per cent. from their 1952 purchase. Pakistan, our nearest neighbour is strongly competing with us in the jute industry, but now we find that France has also come in the picture.

The latest development in the jute industry is to spin direct from sliver. The modern high speed spinning direct from sliver with frames of 100 spindles each running at speeds up to 4,000 revolutions per minute is much more speedy, efficient and easily managed than the 'Rove Spinning', to which we are still clinging. Martin Automaton has spread from Germany to U.K. and it is invading almost all countries where jute is produced. Therefore, it is desirable that the sooner we rationalise our jute industry the better it is.

Coming to our neighbour country, Pakistan, the Pakistan jute industry is making rapid progress. The group of Adamjee Jute Mills has three mills of 1,000 looms each. About 1,400 looms are in operation in East Pakistan—about 1,250 looms in Adamjee and 150 looms in Isphani Mills.

[Shri Bhagwat Jha Azad]

I feel that if we make any delay in rationalising our jute industry, the figures which I have quoted about France, Germany and Pakistan definitely go to show that whatever jute we have got in our country will be left to the mercy of those countries which are strongly competing with us. We have seen that France which had nothing for home consumption is now exporting. Therefore, it is highly necessary that we should rationalise our industry. Of course there should be safeguard to the labour displaced. There should be sufficient safeguard that the management themselves rationalise and before rationalisation is introduced all these safeguards must be taken.

With these words I support my amendment which I have moved.

Mr. Chairman: Now, Shri L. N. Mishra. I hope the hon. Member will not repeat any of the old arguments and will finish within five minutes because there are many more Members who desire to speak.

Shri L. N. Mishra (Darbhanga cum Bhagalpur): Sir, I will finish in five or six minutes.

I have read the speech of Mr. Punnoose and I have not been able to follow his speech so far as the jute industry is concerned. The previous speaker has just now said something in favour of rationalisation so far as the jute industry is concerned. I too shall confine myself to the jute industry.

During the Budget speech my hon. friend Shri Tripathi had spoken against rationalisation. He had reminded me of the thousands of Bihar workers working in Calcutta. Today I am to remind him of the lot of lakhs of jute growers and agricultural labourers in Bihar who are working in the remote areas of Bengal, Bihar and Assam if this jute industry is lost. If we lose the foreign market for our jute, what about those agriculturists? My hon. friend is worried and anxious about a few thousands of industrial labourers at

Calcutta, but not for the millions of growers and agricultural labourers in Bengal, Bihar and Assam. We need rationalisation in jute, not because we want more of productive capacity or more of production of jute manufactures—this we can easily achieve by simply increasing the working hours of jute mills—but because we have to reduce the cost of production in jute. We are aware of the fact that only a few months back the Commerce and Industry Minister laid before the House the report of the Jute Enquiry Commission. I am one of those who do not see eye to eye to many of those proposals, but so far as that Commission's recommendation about rationalisation is concerned, I completely agree with it and I would like to quote it here:

"The present size of market that India holds can be retained only by accelerating the pace of modernisation and showing potential competitors that the Indian industry is determined to spare no efforts to keep its market and will be taking all reasonable steps to increase efficiency to reduce costs."

We are facing serious competition not only from the Continent but also from countries like South Africa, Egypt, Brazil and last but not least from Pakistan. My hon. friend has given some figures.

Shri K. P. Tripathi: About production of jute.

Shri L. N. Mishra: Pakistan has got 6,000 looms now and it has a scheme for another 7,250 or so next year and it will be about 13,250 looms and they are thinking of having three shifts, which means that it will multiply their strength and put it at about 39,000 as against the 6,000 looms of ours. Armed with this most modern machinery and with a raw material of a distinctively high quality, Pakistan will try to drive us away from the world market. Because of Pakistan's new machinery and greater strength are a threat to our country's industry,

I am supporting rationalisation. The case for modernisation finds a very strong support in this point that today, for a jute mill with old plant which is reasonably well managed, 3.4 to 4.4 persons are required per loom, while in a mill with relatively modern machinery, only 2.7 persons will be required per loom. It will reduce the manufacturing cost by 15 per cent. and this cost could be further reduced by limiting the dividends. The only difficulty to my mind is how to find the capital. So far as capital is concerned, I would appeal to Government to take seriously then they can find it Rs. 65 to 68 crores are already invested in this industry and it is a question of finding Rs. 40 crores, and if this sum of Rs. 40 crores is divided over a period of 10 years and if some limit is put on the dividends, I think the capital can be found. So far as labour is concerned, I would appeal to labour leaders to take a rational attitude. They should appreciate that if we lose the foreign market, the jute industry is gone. Jute industry is not like that of textiles, for which Mr. Somani pleaded very extensively. I do not know the position of textiles but I know that jute is altogether different from textiles. We consume about 90 to 95 per cent. of textile manufactures, ourselves, but so far as jute is concerned, 90 to 95 per cent. of it is dependent upon foreign market. It depends upon whims and caprices of foreign market. A slight change in demand violently fluctuates the equilibrium. Jute industry has most unstable equilibrium and so, if we have to save this industry, there is no way but to rationalise this industry. I would, therefore, appeal to my labour friends to look upon it as a national question and not be carried away by other considerations, and I hope they will take a different attitude.

Shri Asoka Mehta (Bhandara): The question we are discussing has to be considered from two points of view: Is rationalisation not being carried out properly? Or is it that we are of the opinion that rationalisation is unnecessary and unwise? I would

like to look at the question from the first point of view. In jute industry, for various reasons that have been pointed out, which I would briefly recapitulate, it is necessary that some form of rationalisation should be tried. Jute manufactures constitute the principal staple of our exports. The industry is mainly dependent on exports. We find there is increasing competition from countries that are better placed than we are as far as jute manufacture is concerned. Pakistan, in the near future, will have about 60 per cent. of our productive capacity. Modernisation is going on at a rapid pace both in Britain and in Pakistan. The traditional jute manufacturers here are confronting a shrinking market. Under these circumstances, if the jute industry is to survive, it is necessary that we think in terms of rationalisation of this industry. Rationalisation of the jute industry, as we know, would affect only the spinning part of it. It would be possible to try some form of rationalisation to reduce the working hours needed for producing one ton from 320 to 90 hours, and the problem of rationalisation in the jute industry has to be considered seriously because we find that for the last fourteen years or more, only 14 per cent. rationalisation or perhaps 16 per cent. rationalisation was effected. The pace is very slow and we are confronted by serious competition. This is an industry which constitutes the staple of our exports and we are absolutely dependent upon our export market. As far as this industry is concerned, I believe that a considered case is made out for rationalisation, but I am afraid no similar case can be made out as far as cotton textile is concerned. There are various problems, technical and organisational, which have to be considered whenever the question of rationalisation is taken up. I had the honour of being a member of the Working Party of the Cotton Textile Industry and hon. Members will find that in the course of our report, we have had to make some very serious observa-

[Shri Asoka Mehta]

about the inefficiency and incompetence of the management in this industry. Rationalisation, if it is meaningful, will have to take into consideration the efficiency of the management also. Rationalisation will also have to take into consideration other aspects that have been listed, but I would like to invite your attention to something much more important. Fifty per cent. of our looms in the cotton textile industry are out-moded. Ninety per cent. of the machinery is, as Mr. Gadgil pointed out, old and run down. This is the opportunity for us to re-organise the industry. In jute, it is found that we have got to compete with foreign countries and we have got to maintain our efficiency in terms of the increasing efficiency in other countries, but as far as cotton textile is concerned, the industry depends upon our internal market. Our freedom movement has taught us that just as production of food has to be decentralised, production of cloth has also to be decentralised. Rationalisation is not only a psychological problem, as Mr. Chatterjee pointed out, but it is also a sociological problem. What kind of a society we want to have. I was amazed to find Member after Member getting up here and saying that we want to have a modern, industrialised country and that we should think in terms of the defence requirements of our country. Do we want to shape our policy in the image of the West or do we want to have a co-ordinated and consistent policy of our own? I maintain that as far as the cotton textile industry is concerned, we must move increasingly in the direction of decentralisation. We must not replace the present looms, the old, obsolescent looms, with new looms. We must move in the direction of power looms or improved looms that can be operated by the small man. We are going to electrify this country. Electrification must mean that power is made available to the smaller man. I was talking to Vinoba Bhaveji a fortnight

back and I enquired about his reactions to the developing electrification. He is happy about the electrification. Electric power, however, must not go to the top people; electric power must not be given to big manufacturers.

[MR. SPEAKER in the Chair]

Electric power must be made available to the small man, to the man at the bottom, so that people at the bottom may be raised. Cloth comes next only to food. Cloth is of universal importance, and that is the reason why from the days of Dadabhai Naoroji, Romesh Chandra Dutt and Gandhiji we have always thought of cloth as an important thread in the fabric of the economy of our society.

I am surprised that so many people do not seem to realise that cloth has a different role, cotton textile industry has a different role, in building up the fabric of our economy. I was also surprised to find that we have forgotten, or we are tending to forget, a very important lesson that our teachers and masters taught us. Are we merely interested in increasing the standard of cloth and having more cloth, still more cloth, and still more cloth? I believe if that is what we want to do we shall be shaping ourselves in the image of foreign countries. Our masters taught us to limit our wants also. Textile cloth in a tropical country like India has only a limited demand, should have only a limited demand. And cloth must be produced in such a way that the right type of sociological conditions can be created. We talk of decentralisation. The textile industry is eminently suited to decentralisation. I do not think even in the spinning section rationalisation will be necessary. In jute, rationalisation will be necessary in the spinning section, not in the weaving section. But in cotton I think we should eschew rationalisation completely.

I would submit that it is very necessary that our Government consider this problem of integrating the cotton textile industry in the wider fabric of economy very seriously and not permit themselves to be stamped by

the general demand for rationalisation of the industry made by people who are owning and operating the textile industry in the country.

I will conclude by saying that this problem of rationalisation has to be viewed in a certain context, sociological as well as economic. And I would submit that what is true for the jute industry is wholly wrong as far as the cotton textile industry is concerned.

Mr. Speaker: Before I call upon the hon. Minister I have to make an announcement about the allocation of time in respect of the clause by clause reading of the Special Marriage Bill.

I stated this morning, when I announced the time generally, that the Business Advisory Committee would be meeting at 4 o'clock and would finalise the allotment of time for the clause by clause reading.

The Committee met accordingly, and this was the allotment which they have made for the clause by clause reading:

Clauses 8—14: one hour.

Clause 15—18 and new clauses 18A, 18B and 18C, plus clause 1 : four hours.

Clauses 19—21 : three hours.

Clauses 22—26 : two hours.

Clause 27, new clause 27A and clause 33 : four hours.

Clauses 28—32 : one hour.

Clauses 34—50, the Schedules, clause 2 and the Title : two hours.

As a consequential change in the allotment announced this morning, the time for third reading will be 2½ hours, instead of 3 hours. It was impossible to allot time to the requirements and to meet the wishes of the hon. Members to have the full three hours for third reading. If we did that we had to curtail discussion in the clause by clause stage by half an hour. So it has been considered proper by the Business Advisory Com-

mittee to have the third reading limited to two and a half hours. I assume that the House agrees with this.

Mr. Speaker: The House will now continue with the resolution. The hon. Minister will now speak.

The Minister of Commerce and Industry (Shri T. T. Krishnamachari): The House has been discussing this motion for quite a long time and in the process, is likely to have forgotten what the motion was.

[SHRI PATASKAR in the Chair]

I would like to refresh the minds of the Members of this House that the motion read as follows. Mr. Punnoose, who moved the resolution, said:

"This House is of opinion that rationalisation schemes planned to be introduced in the textile and jute industries in the various centres in India are harmful to the vital interests of the people of this country."

Well, Sir, the tenor of the speeches made on the floor of this House after the mover had spoken, the speeches made by the different sections of the House had indicated fairly clearly that the House is not in favour of a motion of the nature that was moved, namely, a negative expression of opinion that there should be no rationalisation schemes put into operation in the jute and textile industry in this country. I was happy therefore when I found my esteemed friend Shri Asoka Mehta getting up—I thought he might not have an opportunity of speaking—getting up and making a distinction between the two types of industries. He was prepared to support rationalisation of the jute industry, but he was not prepared to go as far as that in regard to the textile industry. Well, that is something gained by getting some sort of support for rationalisation in respect of one industry. It at any rate goes to show that a blanket resolution of the nature that is sought to be imposed upon this House is one which will have to be turned down.

[Shri T. T. Krishnamachari]

I think it does not want speeches on the part of Members of Government here to induce the House to turn down the resolution as it is before the House today. I must say that while I listened to all the speakers I am afraid I missed the gist of the very eloquent speech made by my young friend, Shrimati Tarkeshwari Sinha, because she spoke in a language which I do not comprehend. I would like to tell the House that rationalisation in respect of language might lead to unemployment of politicians from the South. It may be a good thing, but these things do happen. Technological or other changes which are sought to be imposed on the body politic do lead to some form of unemployment or another, and I suppose it cannot be helped. It might be said that this generation of politicians from South India need not take part in the deliberations of Parliament but might be voting machines. Even then they must know what they are voting for. That is by the way.

I have carefully gone through the very long speech, lasting for a duration of forty-five minutes, made by Shri Punnoose. One particular feature of that speech which is pleasing to me is that he differs radically from the views held or sought to be held by the Deputy Leader of his Party, namely, that statistics are lies and unmentionable lies. Because Mr. Punnoose sought to buttress his argument by a farrago of statistics which, I am afraid, by and large, are highly inaccurate. I think it is only proper that I should take the mover of the resolution seriously and deal with some of the statistics, though other hon. Members who spoke after him have dealt partially with some of the statements of Mr. Punnoose.

Mr. Punnoose asked, if increased production is still desired in the textile industry, why should not the closed mills be re-started and the full installed capacity of the mills utilised by all the mills working three shifts. One thing I have found on a

very rough investigation, that very nearly 63 mills in our country are almost on the border-line of extinguishment because of old and worn out machinery.

[SHRI BARMAN in the Chair]

During 1953, 16 mills remained closed totally. Thirteen mills were partially closed. Most of them have been closed for the reason that the machinery was old and worn out. At the same time, I was happy to hear the suggestion of Shri Punnoose that mills should work three shifts. I do not know why the very valuable suggestion of Shri Punnoose, given on the floor of the House is not accepted by the members of his party, who belong to the Trade Union of Kanpur, who resist working of three shifts, or working on a Sunday for that matter.

The other point that he made was that rationalisation has been going on in the textile industry for the last 20 years in some form or other but there has not been any instance of cloth being available at a cheaper price. He quoted the figures of 1948 and 1953. Only he forgot that there has not been any radical increase in the price since 1948. The statistical abstract shows—it is produced coarse by the Government and therefore, to some extent, not reliable as my hon. friend Shri H. N. Mukerjee will put it—that the index figure for 1948 was 404, for 1949 it was 398, for 1950 it was 402, for 1951 it was 468, then it came down to 423 in 1952 and it is 404 in 1953. At the same time, it must not be forgotten that the price of cotton in 1948 was considerably lower. The floor price was Rs. 420. In 1950, the ceiling price of cotton was raised by another Rs. 200. So, the fluctuation of the price of cotton between 1948 and 1953 has been in the high side. These are matters which he need not enter into. It is not his business.

Shri G. D. Somani had given some figures in regard to the figures provided by Shri Punnoose. I would only like to give all-India figures as I have them. In May 1951, the number of people employed was 785,000. In 1952,

it was 807,000. In 1953, there has been a diminution and the figure was 801,000 or nearly 802,000. The explanation for this is that nearly 29 mills remained closed.

He has made a reference to Kanpur about which I wish to say one or two words before I sit down. Shri Punnoose referred to the Ambalal Sarabhai experimental automatic looms. Even here, I am afraid, the figures were incorrect. He said that a loom shed with 224 looms is manned by 20 workers. I was told that the number of workers that would be needed was 46 and not 29 as he mentioned. But, for the same number of ordinary looms, the number of workers required would be 282 and not 244. Shri G. D. Somani has answered a point made by Shri Punnoose. If 180,000 looms were made into automatic looms, 180,000 workers would be thrown out of employment. As he has pointed out, the possibilities are that only about 20 to 25 per cent. would be made into automatic looms and it will take a period of several years before that could be done.

I do not think that I need go very much into Shri Punnoose's figures except to refer to his figures in regard to jute. I am afraid that the picture that he has painted in regard to the jute industry was slightly more apocryphal than the picture that we had from him about the textile industry. I am constrained to say in all humility that the Communist Party had chosen their spokesman rather wrongly or briefed him not quite correctly. That is a mistake they do not often fall into. So far as the jute industry is concerned, he said that the jute industry employs 3½ lakhs of workers. It does not. It employs one lakh less. The rationalisation scheme, if fully implemented, according to Shri Punnoose, will throw out 40,000 people. As hon. Members, particularly those coming from Bihar pointed out, rationalisation would take a long time, maybe about 7 to 10 years and it is unlikely that allowing for wastage, the number of people that would be thrown

out would be appreciable during that period.

Shri K. K. Basu (Diamond Harbour): What is the standard of appreciability? If 30,000 people are thrown out, is it not appreciable?

Shri T. T. Krishnamachari: It depends on the hon. Member's capacity to appreciate.

Shri K. K. Basu: That is not the point. If 30,000 people are thrown out, is it not appreciable?

Shri T. T. Krishnamachari: The hon. Member is very voluble, but in the process, he is not very articulate.

Shri K. K. Basu: That was your own figure.

Shri T. T. Krishnamachari: It was Shri Punnoose's figure. According to the figures, the total number of workers employed in March, 1952 was 214,000. According to the I.J.M.A. it was 246,000. The total number employed in the mills in the I.J.M.A. and outside is 275,000. Shri Punnoose said that in May, it was 119,000. Perhaps, it was a slip for 219,000. In May, the figure was 246,000. These are the figures. I do not propose to weary the House any more with these figures.

My point really is that the resolution is so framed that it would embarrass Government whatever might be the attitude of the Government. Secondly, it might bolster up a certain agitation that is going on in certain quarters. Actually, I am afraid, Shri Punnoose's friends in Calcutta are not very strong in the Jute mills working section. So far as the figures in regard to membership go, I do not think they form even about 20 per cent. of the total membership of the Union. There is one chance of highlighting the possibility of suffering that a few odd people might be put to. That is one thing. So far as Kanpur is concerned, I think hon. Members did quote some figures. The position in Kanpur is that rationalisation has yet to take place. It is true that there is a lot of ferment amongst labour. That is very unfortunate. It

[Shri T. T. Krishnamachari]
is all the more unfortunate because while there is a ferment amongst labour, the mill industry in Kanpur is not very strong. It is rather weak for various reasons. It may quite be that the employers have got their own share in making the industry weak. But, it is rather difficult to say unilaterally that it is anybody's responsibility. I found that the Labour Minister of U.P. had stressed on this point in the Conference held there. He has been very careful. I will give a few extracts from his speech at Naini Tal. In the circumstances of the prevalent unemployment, the Minister stressed that it was of the utmost importance that no scheme of rationalisation should be worked out in a manner which would add to the problem in any way. The whole thing should be done in such a way that there would arise no further unemployment even of those workers, as far as possible, who have been designated as temporary or substitutes.

"The scheme of rationalisation should advance cautiously, but fairly and should entail retrenchment of workers only to the extent they would be absorbed by retirements and natural wastages."

Well, this is a very unfortunate position. In fact, I would appeal to all the labour organisations who are responsible, to help to solve this problem in Kanpur. In fact, I was suggesting to my hon. colleague that this problem must be settled round a table and we cannot afford to have minor divisions or personal rivalries either in the employer or employee sections to jeopardise an industry which will ultimately mean that it is the worker who will ultimately suffer. After all, even with the lay-off benefits and retrenchment benefits, if the factories close down, the quantum in terms of human suffering, so far as the employer is concerned, will be considerably less than in the case of the employees. I would make an appeal to all sections not merely of this House but also people outside that this is a matter

where we should keep our personal prejudices, predilections and politics out, and try to solve the problem which looks at the moment rather difficult to solve.

I have not got much time. Therefore, hon. Members will forgive me if I do not deal with the arguments that they have put forward in the course of their speeches. By and large, I am very grateful to many hon. Members who have spoken more or less helping the Government to see light. The Government's policy generally is what I stated during the last Budget session, viz., that we cannot set our face against rationalisation. My hon. friend, Mr. Asoka Mehta has conceded that in the case of the jute industry, it is a "must". We must in the process see that those people who are likely to suffer and those least capable of bearing that suffering should suffer the least, and the thing has to be planned and worked out. Even in regard to other spheres it will be wrong to say that no rationalisation should take place. The problem, as the hon. Members who are experts in the field—Mr. Bansal, Mr. Somani and to some extent a diligent student like Mr. Gadgil—have pointed out, is one that is manageable. It is not one that is unmanageable so far as the textile industry is concerned.

And so far as obsolescence is concerned, in our industrial structure I think it is very great. The Chairman of the Engineering Capacity Survey Committee told me the other day that he felt that the bulk of our machines at least are obsolete, and we have to think in terms of changing them, which might be in terms of about two lakhs of them. The technological development all the world over is advancing so rapidly that if we try to make machine tools which were in use in other countries six or seven years back, we shall be left far behind. So, this obsolescence in this country is a thing which we cannot altogether ignore. And so far as the automatic looms are concerned, the problem, as I said, is one that we pro-

pose to tackle. We do not propose to allow un-coordinated installation of automatic looms or automatic machinery. Luckily automatic looms have to be imported, and therefore, Government have a certain amount of control. But, it is wrong to say that no kind of rationalisation can be taken up in one industry merely because as my friend Mr. Asoka Mehta feels, well, the quantum of exports that goes out is negligible, or, for that matter, that we do not want very much of cloth. I quite agree that we may not need a *per capita* consumption of forty yards of cloth for some time, but I think it would be wrong for him to suggest that we should not go up from fourteen to twenty, and if we go up to twenty, well, the area for expansion is something very big, because in any *per capita* calculation we have got 360 million to calculate. One yard more means 360 million yards more.

Shri Asoka Mehta: Your handlooms will have to become power looms.

Shri T. T. Krishnamachari: Yes, I quite agree. I do not know what the Kanungo Committee will do. If I am allowed to go on, that is what I will do. Decentralization of weaving is a thing about which I agree. But certain types of weaving cannot be decentralized. Any type of weaving for purposes of export will have to bear a particular price, and we are expecting to have an export trade of a thousand million yards. I am afraid, therefore, that decentralization may not help, but we should do it. Even centralized than ours. I quite agree with him that we should proceed on those lines. I have always been pleading that the handloom worker should not be found to work with his hands and feet for all time to come. Sometime or other, we should give him a power loom in his house, so that instead of weaving eight yards, he would be able to weave eighteen yards. It is a thing on which Shri Asoka Mehta and I have no difference at all. Nor is there any question about the decentralization of the weaving indus-

in a country like U.K. is far more de- the pattern of the weaving industry try. Our future expansion must be in that direction.

But that does not mean that the present machinery should not be replaced and wherever automatic machinery is absolutely necessary, it should not be put in. That is a different thing. Shri Asoka Mehta and I shall sit down and say, let us do something about it, let us see that the workers are not thrown out in thousands, or in hundreds, or maybe even in fives or sixes. The question of safeguarding future employment is a thing which we have got to take care of by means of expansion. I do maintain that we are on the eve of a certain amount of industrial expansion, which would take up not merely the slack, but also a large percentage of those who go in for employment in the future. I shall want the co-operation of every section of the House in order to implement a scheme of that nature.

My hon. friend Shri Bansal quoted from the report of the I.L.O. Committee on productivity. I would also like to read a few sentences and a few paragraphs from it.

"In the Director-General's report to the 33rd session of the International Labour Conference, the question was asked; how far is security compatible with maximum productivity. And the following answer was suggested:

If 'security' is interpreted to mean security, that no worker will ever lose his present job..."

Shri R. K. Chaudhuri (Gauhati): May I remind the hon. Minister that there is a flood resolution after this?

Shri T. T. Krishnamachari: Not today. I am afraid he cannot remind me of something which does not exist.

To continue the quotation,

"...the two things are quite evidently incompatible. A highly productive economy is an economy which responds rapidly and efficiently to changes in needs and in the conditions of supply and production; in which re-

[Shri T. T. Krishnamachari] sources move out of industries and occupations where they are less productive into others where they are more productive; in which improved techniques of production and management are grasped and applied as soon as they became known and available; in short, a highly productive economy is essentially a dynamic economy; an economy offering security of continued employment for all workers in their present jobs, would be static in the last degree. If, however, 'security' is interpreted to mean confidence that society will continue to need and to pay for the services of all who can contribute to the work of production and will take pains to make sure that those who can no longer be employed in their present jobs will be fitted to contribute..."

Shri R. K. Chaudhuri: The time which was allotted for this resolution has long expired.

Shri T. T. Krishnamachari: No, it is there up to 4-49 P.M.

"...in other ways, then high productivity and security are not merely not incompatible; security in this sense is a necessary condition that makes productivity..."

I will go one step further, and quote one paragraph from that book, which says:

"While unemployment relief like unemployment insurance is primarily a matter for governments, an industry experiencing rapid technological progress involving considerable displacement of labour may, in certain cases, contribute to funds to be used in the mitigation of hardship in particular cases."

I think I can say that Government are thinking in those directions. If I would suggest that way, the House should be with us, when we say that we are thinking of dealing with these cases as individual units. In regard to the question that as far as possible,

there is no unemployment, I am completely with Shri K. P. Tripathi in that. Where it is possible, when we cannot provide—as we cannot at the present moment—an unemployment insurance of that kind, we will see whether we cannot provide some guarantee to the worker that he will not be left in the street, by means of a fund to which some kind of amortisation will be possible, by collecting a levy on the units which have been so rationalised.

Finally, in regard to the resolution, I must say I find it difficult to accept it.

An Hon. Member: What about amendments?

Shri T. T. Krishnamachari: As regards amendments, I would say that the nearest to the Government's point of view is the one moved by Mr. Bhagwat Jha Azad, amendment No. 6. This amendment, I am afraid, requires a bit of touching up. I do not think we have any time for that kind of thing. But the only word that I would like changed—if the mover would be agreeable—is in the last but one line where it is stated 'providing reasonable safeguards'. I am rather nervous about that last line,—as to whom it applies. I think if we make it 'facilities' instead of 'safeguards', Government will be prepared to accept that amendment.

Shri Bhagwat Jha Azad: I have no objection to accepting that change.

Mr. Chairman: Now, to the original resolution moved by Shri Punnoose, there are four amendments. They are: amendment No. 1 by Shri S. N. Das, amendment No. 2, by Shri Asoka Mehta, amendment No. 5 by Shri D. C. Sharma and amendment No. 6 by Shri Bhagwat Jha Azad. I find that amendments Nos. 1 and 6, except with regard to some words, are a paraphrase of each other. I do not know which I should take. They are substitute resolutions; so I will put them first to the vote. Shri S. N. Das is not in the House.

Shri T. T. Krishnamachari: We can vote down amendment No. 1.

Shri D. C. Sharma (Hoshiarpur): Mr. S. N. Das has just arrived in the House.

Mr. Chairman: Does he want to press his amendment No. 1?

Shri S. N. Das (Darbhanga Central): I do not press it.

The amendment was, by leave, withdrawn.

Mr. Chairman: Now, I will read the amendment No. 6, which Government are prepared to accept.

That for the original Resolution, the following be substituted, namely:

"The House is of opinion that rationalisation of the Textile and Jute industries where it is necessary in the country's interest must be encouraged, but the implementation of such schemes should be so regulated as to cause the least amount of displacement of labour in these industries, providing reasonable facilities for the employment of such displaced labour."

Shri K. K. Basu: Not 'safeguards'?

Mr. Chairman: The hon. Mover himself has said that he is prepared to amend it in this way.

Shri K. K. Basu: Let us have a division.

Mr. Chairman: I will now put the amendment to vote.

The question is:

That for the original Resolution the following be substituted, namely:

"The House is of opinion that rationalisation of the Textile and Jute industries where it is necessary in the country's interest must be encouraged, but the implementation of such schemes should be so regulated as to cause the least amount of displacement of labour in these industries, providing reasonable facilities for the employment of such displaced labour."

The motion was adopted.

Mr. Chairman: Now, the other two amendments get barred on account of the passing of this amendment.

The original resolution is now substituted by the amended resolution that has been passed.

RESOLUTION RE: FINANCIAL AID TO ASSAM FOR REPAIRING DAMAGES CAUSED BY FLOODS

Shri R. K. Chaudhuri (Gauhati): Mr. Chairman, I had given notice of this resolution which was actually received in office on the 11th of August and since then a large amount of water has flown down the Brahmaputra. So, I want to make an amendment in my resolution that instead of one and a half crores it should be two and a half crores.

Mr. Chairman: You can move the resolution in the amended form.

Shri R. K. Chaudhuri: I beg to move:

"This House is of opinion that a sum of Rupees two and a half crores should be immediately placed at the disposal of the Government of the State of Assam as aid for the purpose of repairing damages to public and private properties including roads, bridges and private and public buildings caused by the devastating floods of this year in the State of Assam and for rehabilitation of the flood-affected people."

I should explain that this resolution has nothing to do with the steps which have to be taken for the prevention of erosions in future. For long-term measures that have to be taken, I had given notice of a separate resolution. In this resolution, I am only concerned with the repairs to the public and private buildings, roads including highways, and in order to rehabilitate the flood stricken people who have been rendered homeless.

Sir, the havoc that has been caused by the mighty river Brahmaputra is beyond description and admits of no exaggeration.

Mr. Chairman: It is now time for the House to rise.

The Lok Sabha then adjourned till Eleven of the Clock on Saturday, the 11th September, 1954.