

they were equipped with boarding passes, they reached the operational area either through the security booth or by slipping out unnoticed through gate No. 1. which was used for the entry of transit passengers, and for the entry and exit of Air India's staff. Neither the assistance nor the complicity of any other person was required for this purpose.

(iii) The three stowaways entered the aircraft by one or other of the two step ladders leading to the Economy and First Class, without the boarding stubs being removed from the boarding passes by Air India's staff on duty at the ladders.

(iv) The result of the head count taken by a Traffic Assistant of Air India was clearly wrong, in so far as it failed to take into account the two women stowaways who had locked themselves up in the toilets.

(v) The Commission is unable to say how the male stowaway succeeded in travelling by the aircraft unnoticed till one hour before it landed at Cairo.

(vi) The Manager, Air India, Santa Cruz Airport, Bombay, was justified in not recalling the flight.

(vii) The inability of Air India and its staff to off-load the three stowaways at Cairo or to bring them back to India from London was due to circumstances beyond their control.

(viii) Santa Cruz Airport is vulnerable to unauthorised entry at several places.

RISE IN PRICE OF CLOTH

*187. SHRI KOTA PUNNAIAH:

SHRI KALI MUKHERJEE : SHRI A.

G. KULKARNI : SHRI CHANDRA

SEKHAR: SHRI KRISHAN KANT :

Will the Minister of COMMERCE be pleased to state :

(a) the percentage of rise in the price of different varieties of cloth, i.e. superfine, medium and coarse, during the last three years, yearwise;

(b) whether Government have enquired into the causes of such abnormal rise; and

(c) if so, the steps taken to check the price rise ?

THE MINISTER OF COMMERCE
(PROF. D. P. CHATTOPADHYAYA) :

(a) to (c) A statement is laid on the Table of the House.

STATEMENT

(a) The prices and distribution of certain varieties of cloth required for mass consumption have been under statutory control for some years. According to the arrangements now in force, mills are expected to produce 100 million sq. meters of such cloth every quarter under voluntary arrangements. This constitutes about 12% of the total production of mill-made cloth.

The prices for controlled cloth have been statutorily controlled and no price increase has been allowed ever since 2nd May 1968. In respect of the varieties of

(i) Coarse	37.7 to 49.1
(ii) Medium (Lower)	37.1 to 75.5
(iii) Medium (Higher)	34.1 to 47.3
(iv) Superfine	21.7 to 52.1

regarding year-wise rise in prices for the last three years is being collected and will be laid on the Table of the House.

(b) and (c) The increase in prices of cloth has generally been of the same orders as the increase in the General Index of Wholesale Prices.

Towards the end of 1972, there were a number of complaints about undue rise in prices of cloth. The matter was also raised in the previous session of the Parliament. In order to consider the matter on an urgent basis and make recommendations to the Government on effective measures to restrain price in-

creases of cloth, an official committee was appointed by the Commerce Ministry in May, 1973. On the basis of the Committee's recommendations, Government have introduced a Voluntary Price Restraint Scheme for wearable varieties of non-controlled cloth of coarse, lower and higher medium categories. This scheme has been brought into effect from 20th July, 1973. The salient features of the scheme are :—

(i) Ex-mill prices of all wearable varieties of coarse, lower medium and higher medium cloth (excluding those already under statutory price control) will be subject to an upper limit corresponding to the prices obtaining in November, 1972, plus 10% to cover increase in the cost of inputs in the subsequent period.

(ii) The trade-margin in respect of the above categories of cloth, excluding those already under statutory control, will not exceed 20% of ex-mill prices plus control excise duty.

(iii) Both maximum ex-mill prices and maximum retail prices calculated on the above basis will be stamped at the beginning and end of each piece-length of wearable cloth.

(iv) Implementation Committees will be set up to investigate cases of violation of the scheme and bring the matter to the notice of the Textile Commissioner and the Apex Associations of Industry and Trade, as the case may be, for appropriate action.

(v) Watch-dog Committees will also be set up to look into retail prices of cloth and report violations of the scheme to the Government and Associations of the Industry and Trade concerned, for remedial action.

Government are keeping a careful watch on the situation and will take further steps as may be necessary for the implementation of measures designed to arrest the upward tendency in prices.

SHRI KOTA PUNNAIAH : May I know, Sir, when is the Government going to constitute an Implementation Committee and a Watchdog Committee? Who will be their members? May I further know whether they will have only officials or both officials and non-officials?

PROF. D. P. CHATTOPADHYAYA : Sir, we have decided to constitute both, an Implementation Committee and a Watchdog Committee on which the representatives of both the Government as also the Industry and the State Government will be there.

SHRI KOTA PUNNAIAH : Is it not a fact that most of the coarse cloth meant for the consumption of the weaker sections of the society and the poor is taken away by the richer classes for their pillow covers and bed sheets; if so, what steps does the Government propose to stop this practice and see that the coarse cloth is supplied only to the poor?

PROF. D. P. CHATTOPADHYAYA : Ten per cent, of the coarse cloth is controlled, that is 100 million sq. meters every three months. Four hundred million sq. meters per year we sell through our different network of the fair price shops and other co-operatives. So this is for the poor type of people. There are other varieties also which, as I have said, have shown considerable price rise in the last few years. Recently, Sir, we have introduced a scheme as per which we have decided to bring down the price of the cloth to the level of November 1972 plus a maximum of 10 per cent, because of the increased cost of production although the actual cost of production is something more. Because of the rising costs of living we thought it desirable to bring the price down. So we have allowed only 10 per cent. Over the price level of November 1972.

SHRI A. G. KULKARNI : May I know, Sir, the reason why the Minister feels that the scheme announced by him

of 10 per cent, price rise on November 1972, and not the voluntary system, will work? The Minister himself has the experience of burning his fingers in cotton yarn even with statutory control and in nylon with voluntary control. Then every mill goes to the court and gets a stay order when the scheme is adverse to them. And every State does not co-operate with the Central Government in the implementation of any scheme. In view of all this, I would like to know whether the voluntary control on prices will ever work unless every metre of cloth is stamped with the price and unless you have got a machinery to check. Otherwise, with the non-co-operation of the States and the mill-owners going to the court and taking recourse to writs, what is the prospect of this scheme ever being worked? Some say that the price rise is there. But when we see the profits of the mills in their balancesheets in the last year and in the present year, they are booming. So, may I draw the attention of the hon. Minister to the need to take steps other than this voluntary scheme which has failed in this country?

PROF. D. P. CHATTOPADHYAYA : Sir, as the hon. Member has rightly pointed out, we have experienced certain difficulties in implementing some of our schemes. But the difficulties are not confined to the voluntary scheme. The form of the scheme, either voluntary or statutory, does not make any significant difference. The difference is brought about by the strength, vigilance and purposefulness of the committees concerned, that is, the implementation committees and the watch-dog committees. So we have decided to see that the implementation committees and the watch-dog committees are constituted in a very representative way and function in a very purposeful way. I have decided to write to the Chief Ministers and already the senior-most officers of the State Governments are being approached in this matter. Secondly, it is true

that some court orders have created some difficulties in the implementation of our yarn control schemes. We are taking suitable measures. Hon. Members will appreciate that when the Supreme Court or the High Courts strike down some of our laws, we have to take lawful action to get it vacated. We are trying for that. About the third suggestion, to stamp our fixed prices on every metre of cloth, we are considering it, but there are some mechanical difficulties because some gadgets and machines which are required for stamping every metre are not available. We are trying to obtain them and if and when they are obtained, every metre of cloth will be stamped with the controlled prices.

SHRI CHANDRA SEKHAR: Mr. Chairman, Sir, the Minister was kind enough to give the information that they have tried to peg the prices of cloth to the November 1972 level with permission to increase it by 10 per cent. Sir, the statement itself says :

"Towards the end of 1972, there were a number of complaints about the undue rise in the prices of cloth. The matter was also raised in the previous session of the Parliament."

So, towards the end of 1972, there was an undue rise in cloth prices and because of that, this committee was appointed with a view to bringing down the prices. But what has this committee done? They have legalised the 1972 prices with a further 10 per cent increase.

SHRI A. G. KULKARNI : Bonus.

SHRI CHANDRA SEKHAR : May I know what is the justification of this recommendation of the committee and what is the desirability of the Government accepting this recommendation when it is a fact that cotton mills have earned huge profits in 1972-73 throughout the whole country?

PROF. D. P. CHATTOPADHYAYA : Sir, the committee has gone into the details, the different factors of production and their respective cost factor, and it has been observed that between November 1972 and June 1973, the overall cost rise has been slightly more than 15 per cent. And the findings of the Industrial Bureau of Costs and Prices have also corroborated that. And the factors which are responsible for this higher cost of the inputs are : Rise in price of cotton, both indigenous and imported varieties; the fact that the price of 12 per cent of the production of the mills, that is, the controlled cloth, has remained static for over five years so that they could not get any profit on this 12 per cent; rise in wages; rise in the prices of spindles and spares; and also power-cuts. And when I say that these are mostly the factors accounting for rise in prices, I do not mean to say that the mills have not made higher profit, higher than what was justified in 1972. That is why we pegged it lower, below this year's prices. And we are aware that there is some bad tendency of high profitability. We have taken note of it. And that is why we have not allowed what they have asked for.

SHRI CHANDRA SEKHAR : My question was very simple. In the end of 1972, this matter was raised in the Parliament because there was undue rise in the prices. If you see the prices between 1969 and 1972, in certain cases they have gone up more than double. Will the hon. Minister justify the increase of 10 per cent on the ground that the cotton prices have gone up to that extent? And even if the cotton prices had gone up, is it not a fact that in 1972-73, the cotton mills earned more profits compared to any previous year, and, if it was so, why were they allowed 10 per cent more?

MR. CHAIRMAN : Your question is whether they have earned more profits than ever before.

PROF. D. P. CHATTOPADHYAYA : When we decided this level of the price, we took into account the price of that year and also the subsequent factors. And it has been borne out and confirmed by the independent reports of the Industrial Bureau of Costs and Prices.

SHRI KRISHAN KANT : May I know from the hon. Minister whether he has really analysed why the prices are increasing? Whatever they did, prices increased. Yarn for the cloth was controlled, and prices increased. It was decontrolled, and prices increased. A Committee gave its findings, and prices increased. Everytime, whatever the Government does, prices increase. I do not know why. I know the hon. Minister is really a dispassionate man and he looks at things in an objective manner. May I know whether he will analyse the situation as to why all this happened? Do they not have the experience of the voluntary price control scheme when Mr. Manubhai Shah was the Minister? It completely failed.

MR. CHAIRMAN : Now, you put your question.

SHRI KRISHAN KANT : The whole trouble is because of the Government's approach and the cost plus formula. May I know whether the Government is prepared to throw away this cost plus formula and look at the problem with modern techniques so that the prices of cloth are reduced?

PROF. D. P. CHATTOPADHYAYA : Sir, whether we take a dispassionate or a pragmatic approach, the facts remain facts. One fact is this that general increase of wholesale prices between June 1970 and 1973 has risen to 32.4 per cent, and the cloth price has also risen to 32.7 per cent. It has moved *pari passu*. What I am saying is that the general reason is very clear. The wholesale price index has risen by 32.4 per cent, and the cloth price has risen by 32.7 per cent. It has moved *pari passu*. I am quite in agreement with the

honourable Member's suggestion that unless a substantial amount, the majority amount of the cloth produced, is somehow controlled, and controlled effectively, the price rise tendency cannot be curbed significantly and for a long time. And we are looking into the suggestions given by the Bureau of Industrial Costing and Prices which has gone into the matter in detail with modern techniques. We are going to do that.

श्री कमलनाथ झा : माननीय मंत्री महोदय से मैं यह जानना चाहूंगा कि कपड़े के मूल्यों के बहुत अधिक बढ़ जाने से जो ग्रामीण क्षेत्रों में बसने वाले सब से गरीब खेत मजदूर हैं और खास कर के बिहार प्रांत, पूर्वी उत्तर प्रदेश, उड़ीसा, आसाम, बंगाल . . .

श्री सभापति : आप प्रश्न कीजिये ।

श्री कमलनाथ झा : मैं प्रश्न ही पूछ रहा हूं । उन क्षेत्रों में खेत मजदूरों की दैनिक आय 2 रु० की है और उनके लिए यह संभव नहीं कि बड़े हुये मूल्य पर वे कपड़ा खरीदें, इस लिए मंत्री महोदय से मैं यह जानना चाहता हूं कि जो मोटा कपड़ा नियंत्रित मूल्य पर लोगों में वितरण के लिए दिया जाता है उसके लिए खेत मजदूरों, भूमिहीन किसानों के लिए कपड़े का कार्ड बनवा कर क्या उसके वितरण का प्रबन्ध सरकार करने जा रही है क्यों कि . . .

श्री सभापति : अब क्यों का सवाल नहीं है । अब आप बैठिये ।

PROF. D. P. CHATTOPADHYAYA : I very much appreciate, as has been rightly pointed out by my friend, that in some areas of the country the poor people are not getting the controlled cloth and if they do get it, they do not get it at the stipulated price. We are aware of this problem. So we are trying to open more and more fair price shops to which the cloth will be distributed. And also we have allowed and asked the National Textile Corporation to sell a substantial portion of

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their production through their own networks so that it can reach wider sections of the poor people.

SHRI YASHPAL KAPUR : The Minister has made reference to the National Textile Corporation which I was going to raise. The National Textile Corporation . . .

PROF. D. P. CHATTOPADHYAYA : The

डा० भाई महावीर : वही गवर्नमेंट चला रहे हैं । वही बात कर रहे हैं । वे क्या सवाल पूछते हैं ।

श्री सभापति : आप बैठ जाइये ।

डा० भाई महावीर : मिल वाले कहते हैं कि दस करोड़ रुपया गवर्नमेंट को दिया है और इस लिए यह धांधली करते हैं ।

श्री यशपाल कपूर : नेशनल टेक्सटाइल कारपोरेशन इस वक्त एक सौ से ज्यादा मिलें चला रहा है और उनमें ज्यादातर मोटा कपड़ा बनाया जाता है । जो बालंद्री प्राइस रेस्ट्रेंट की स्कीम है वह जबरदस्ती नेशनल टेक्सटाइल कारपोरेशन पर सरकार लगा पाई है क्योंकि जो प्राइवेट मिलें हैं उनपर यह बालंद्री प्राइस रेस्ट्रेंट स्कीम लागू नहीं है । प्राइवेट मिल मालिकों ने लोगों का खून चूस कर के जो मिलें बन्द कर दी हैं उनको नर्स करने में यह कारपोरेशन लगी है और यह नर्सिंग टेक्सटाइल कारपोरेशन है । फिर उसको नुकसान होता है । क्या सरकार इस बात को देखेगी कि नेशनल टेक्सटाइल कारपोरेशन पर जो आप हुक्म लागू करते हैं क्योंकि उसका चेयरमैन आपने बनाया और कारपोरेशन आप का है, वही हुक्म आप उन दूसरी मिलों पर भी लगायेंगे जो सुपर फाइन और दूसरे कपड़े बनाती हैं और नेशनल टेक्सटाइल कारपोरेशन को आप दुकानें खोलने की इजाजत देंगे जो अभी तक आपने नहीं दी है ।

honourable Member has drawn our attention to a very valid point, and, in fact, the National Textile Corporation has brought to our notice

the difficulties it is experiencing because of the formula of price fixation. They were formerly sick mills and they are not producing at the optimum level. So the level at which we have fixed the price is proving inconvenient for them. The honourable Member would like to know perhaps that in arriving at this formula, in evolving this formula, the Managing Director of the National Textile Corporation was taken into confidence and he participated in the deliberations and also in processing this decision. But even then, having arrived at that decision, we are now told by the National Textile Corporation that they are finding it difficult to follow this formula. We are looking into their problem. Their difficulty deserves to be treated on a separate footing. I agree.

डा० भाई महावीर : क्या यह सच है कि पिछले दिनों में कई कपड़ों में भी कीमत की वृद्धि हुई है जैसे कि आम आदमी के इस्तेमाल की साड़ी जो साढ़े 6 रुपये में मिलती थी अब उस की कीमत दस रुपये हो गयी है पिछले 15 दिन के अंदर और आम मिल वालों का यह कहना है कि उन्होंने सरकार को और पब्लिक को, दोनों को बेवकूफ बनाया है और यह खुले-आम दावा किया जा रहा है कि दस करोड़ रुपये दे कर यह छूट ले ली गयी है जिस में मन-मानी कीमतें लगाई जा रही हैं। मिलों का कपड़ा उधर से बनता है और उसे गोदामों में भर कर जो क्रेडिट फैसिलिटीज है उन का नाजायज फायदा वे लोग उठाते हैं और इस प्रकार आम कपड़े की कीमत बढ़ाई जा रही है ?

PROF. D. P. CHATTOPADHYAYA : I am not aware of this phenomenal price rise he is referring to. If it has come to his notice, let me know .that. I will look into that.

DR. BHAI MAHAVIR : What about misuse of credit facilities for price manipulation and creation of artificial price rise?

MR. CHAIRMAN : Question Hour is over.

खराब हुए करेंसी नोटों का नष्ट किया जाना

***183. श्री सुरज प्रसाद :** क्या वित्त मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या भारतीय रिजर्व बैंक ने खराब हुए नोटों को नष्ट करने के लिए कोई नया तरीका अपनाया है; और

(ख) यदि हां, तो उसका व्यौरा क्या है?

WRITTEN ANSWERS TO QUESTIONS

[DESTRUCTION OF SOILED CURRENCY NOTES

***183. SHRI SURAJ PRASAD:** Will the Minister of FINANCE be pleased to state :

(a) whether any new procedure for destruction of soiled currency notes has been adopted by the Reserve Bank of India; and

वित्त मंत्रालय में राज्य मंत्री (श्री के० आर० गणेश) : (क) और (ख) एक विवरण सभा-घटल पर रख दिया गया है।

विवरण

खराब हुए करेंसी नोटों की जांच करने तथा उन्हें रद्द करने के लिए भारतीय रिजर्व बैंक द्वारा अपनायी गयी सामान्य प्रणाली यह है कि नोट निरीक्षक प्रेषणार्थ नोटों अथवा बैंक के कार्यालयों में प्राप्त नोटों में से प्रत्येक की जांच करते हैं और नोटों को गिनते हैं तथा उसके बाद कुछ प्रतिशत तक उनके काम की भी जांच की जाती है। हाल के वर्षों में चलन में आये नोटों की संख्या में भारी वृद्धि हो जाने के कारण चलन से वापस आने वाले खराब तथा कटेफटे नोटों की शीघ्रतिशीघ्र जांच, निवृत्ति तथा निपटारा करने के काम में भारतीय रिजर्व बैंक काफी कठिनाई अनु-

†[] English translation.

(b) if so, the details thereof?]