

discrepancy exists. Now it is for the Deputy Minister to refute it if he is capable of refuting it.

THE DEPUTY CHAIRMAN: As you read the figures, the Minister cannot reply. Send those figures on to him and then he will reply.

SHRI LOKANATH MISRA: Why should I submit to him? Who is he?

SHRI M. SHAFI QURESHI: My friend should not become so allergic. If I asked him, I asked him not as a Minister but as a colleague of his. If he has got any grievance he can come to me and tell me. Perhaps he is allergic because I am a Deputy Minister and he is not. But being in the Government it is my job to look into his grievances. Because of the party to which he belongs he must have some respect for higher-ups.

SHRI LOKANATH MISRA: I am not allergic even to his Minister, what to talk of him.

SHRI M. SHAFI QURESHI: Because he talked about discrepancies in the figures, my Minister and myself have given figures in this House. They are absolutely correct. There is no discrepancy. If my friend wants the latest figures about our export performance, about the quantity we have exported, I am prepared to give it.

SHRI LOKANATH MISRA: Figures for 1962.

SHRI M. SHAFI QURESHI: These will be looked into and if there is any discrepancy between the figures which my friend has sorted out from some papers . . .

THE DEPUTY CHAIRMAN: You may not have them now.

SHRI M. SHAFI QURESHI: I do not have them now. It will be looked into.

THE DEPUTY CHAIRMAN: He has the latest figures. If you want it, he is willing to give.

SHRI M. SHAFI QURESHI: I do not think there is any other point which remains to be replied.

THE DEPUTY CHAIRMAN: The question is:

"In pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (32 of 1934), this House approves of the notification of the Government of India in the Ministry of Commerce No. S.O. 3460, dated the 11th November, 1966, increasing the export duty leviable on tea."

The motion was adopted.

SHRI LOKANATH MISRA: No lunch?

THE DEPUTY CHAIRMAN: We shall sit through the lunch hour.

THE INDIAN TARIFF (SECOND AMENDMENT) BILL, 1966

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI M. SHAFI QURESHI): Madam, on behalf of Shri Manubhai Shah, I beg to move:

"That the Bill further to amend the Indian Tariff Act, 1934, as passed by the Lok Sabha, be taken into consideration."

Madam, this Bill mainly seeks to amend the First Schedule to the Indian Tariff Act, 1934, in order to give effect to Government's decisions on certain recommendations of the Tariff Commission. Honourable Members will have observed from the Statement of Objects and Reasons attached to the Bill that the Bill seeks to:

- (a) continue protection beyond 31st December, 1966 in the case of sericulture Industry, and
- (b) discontinue protection with effect from the 1st January 1967 to (i) Antimony, (ii) A.C.S.R.

[Shri M. Shaft Qureshi.] (Aluminium Conductor Steel Reinforced) and A.A.C. (All Aluminium Conductor), (iii) Cotton Textile Machinery and (iv) Piston Assembly Industries.

Copies of the Tariff Commission's reports on all these industries and of Government Resolutions issued on these reports have already been laid on the Table of the House and Notes on each of these industries have also been circulated for the information of the Members of the House. The Notes circulated to the Members contain a gist of the Tariff Commission's recommendations contained in its reports in respect of each of these industries. Hon'ble Members will, no doubt, have gone through the documents and I shall not, therefore, take much of the time of the House by going into the details of these industries.

Copies of the "Review of the work of the Tariff Commission for the period October 1965 to September 1966" have also been circulated to Members of the House for their information. Under the provisions of the Tariff Act, 1951, a permanent Tariff Commission was constituted: in January, 1952. The main functions of the Tariff Commission cover (i) dealing with references from Government on matters relating to tariff protection generally; (ii) undertaking *suo motu* inquiries into the working of protection; (iii) keeping a continuous watch over the progress of protected industries; and (iv) dealing with references from Government on fixation of fair prices of commodities, whether protected or not. The Commission has wide discretion in regard to application of the general principles relating to fixation of protective tariffs. It also watches the effects of protection on other industries and on prices. Besides, the progress of the protected industries is watched and reviews of prices undertaken. The Tariff Commission also makes ancillary recommendations for the development of the industry.

Madam Deputy Chairman, on 1st January, 1966, the number of protected industries stood at eight. This number includes industries on which protection is due to expire at the end of this year *viz.* 31st December, 1966. Protection to (i) Piston Assembly, (ii) A.C.S.R. and A.A.C. (iii) Cotton Textile Machinery and (iv) Sericulture industries is due to expire on 31st December, 1966 whereas Antimony Industry was protected up to 31st December, 1968 subject to review by the Tariff Commission in 1966.

The Commission recommended de-protection to the ACSR and AAC and Cotton Textile Machinery industries with effect from 1st January, 1967, as these industries have made sufficient progress to withstand competition from imports. The Commission has also recommended withdrawal of protection from the Antimony industry in its review report. In the case of Piston Assembly industry, the Tariff Commission reconsidered the question of protection in the light of devaluation and recommended the de-protection of this industry as well.

As for the Sericulture Industry, the Commission has recommended the continuance of protection for a further period of three years up to 31st December, 1969. Government have accepted the recommendations of the Tariff Commission for de-protection of the four industries and for the continuance of protection to the Sericulture industry up to 31st December 1989 as detailed above.

The background in respect of all these five industries is detailed in the notes circulated for the information of the Members.

With these words I move.

The question was proposed.

SHRI J. VENKATAPPA (Mysore): I rise to support this Bill for reasons best known to the Minister and also to those who are involved in the Sericulture industry. As far as the report

of the Tariff Commission is concerned, I would say a few words. I do not think the way in which the Tariff Commission has gone into the question of enquiry with regard to the working of the Sericulture industry in the rural parts is satisfactory. It has to be done in the light of giving some protection and relief to those poor people involved in this industry at the lower level, commencing from the cultivators of mulberry and rearers of silk worms. It is that part which forms the most important part of this industry which is an agro-economical industry which is combined with agriculture and has given some relief to the agriculturists to improve their economic condition. Hence I would insist that henceforth whenever the Tariff Commission enquire into the working of this industry, it is better for them to go to the rural parts where the actual cultivators and rearers of the silk worms are there to give them some relief, at least to uplift them to some extent economically. That is quite essential because it is observed in all the sectors of industry that wherever it is possible, it is the intention of any human being to exploit to his advantage. So those who are economically a little right would try to get something more for themselves without consideration for those who are economically backward. With this in view, I would suggest that it is better to give some encouragement for those at the lower level in this industry. The necessity for this protection to this silk industry will be evident from a few instances that I will give. The Indian silk is known for its quality and durability. Internationally of course we cannot compete with the Japanese who have topped the list because they have the climatic advantage in that country, whereas we have a temperate climate and we cannot compete with them as far as qualities of Denier and the content of the filament in one unit measurement is concerned. As far as these two qualities are concerned, we cannot compete with the Japanese. We can compete

in regard to the other qualities, namely, durability and elasticity of the silk thread. Because of this drawback in the quality of our silk as pertaining to the content of the filament in one unit demand and the denier, they are monopolising the entire world-market. For the finer variety we are dependent on Japan. Every year we are importing to the tune of one lakh kilograms and this year also we have placed an order for about one lakh kilograms. This could have been substituted by our own silk provided we had taken suitable action to modernise the filatures in Jammu and Kashmir, where we have the requisite natural climatic conditions. There the Government has thought of modernising 300 basins of which they have been so far able to modernise only 100 basins and again of these only 30 are functioning. This project was taken up by the J. & K. Government as far back as 1960 but to this day they could not even implement or remodel or modernise even these 300 units of basins. If that had been taken up and completed in the allotted time, that is within the Third Five Year Plan, we need not have imported this quantity of raw silk which is now being imported from Japan. Another condition is that we are to supply univoltine to the J. & K. Government to enable them to rear the good variety of raw cuecoons so that they may produce a better variety of silk which can be used as a substitute for the Japanese silk. Even there the Jammu and Kashmir Government has not taken care of this industry and they are not cooperating as far as production of the finer variety of silk is concerned. Another reason for the protection of this industry is, the majority of those who are involved in the production of mulberry and cuecoons are economically backward and they cannot unite together. They cannot put forth their effort for the development of this industry. Then the business people who are engaged in the marketing of this raw silk "have been exploiting this section of the industry, that is the rearers and reelers.

Whenever there is any slump in the-

[Shri J. Venkatappa.] market and whenever raw silk is imported from Japan, these merchant classes would utilise that situation to their own advantage to reduce the local market price when they can purchase for themselves the available raw silk in India and then enhance the price after a week or fortnight and thus they exploit the rearers. To avoid that the need for stabilisation of the silk industry was felt and hence the protection of raw silk became a necessity. With this intention the Government intervened and gave protection to this industry in 1934. That is still being continued. But I do not know how the Tariff Commission has come to the conclusion that this protection can only be extended up to three years. I would ask the Minister whether he has been assured that this protection is not necessary after three years or that the development programmes for this industry would be completed within this period and we would be in an advantageous position to compete in the international market? I can challenge that even after 25 years, at the rate at which we are making efforts, we cannot develop this industry to the extent that we can compete with Japan in the international market. When this is the real situation I do not know why or how they came to the conclusion of giving protection to this industry only for three years. So I have tabled an amendment suggesting extension up to 1971. I do not know whether my amendment has been received by the Chair. I had suggested that instead of the figures 1969 we should have the figures 1971.

THE DEPUTY CHAIRMAN: Your amendment has just been received. It is too late. You should have given it in time. It cannot be circulated.

SHRI LOKANATH MISRA (Orissa): What is the use? Even that they think is mud slinging. What to speak of mud slinging, even tar cannot disfigure their faces sufficiently.

SHRI J. VENKATAPPA: When that is the position, as far as the sericulture industry is concerned, I do not know why the Government is hesitating to protect the industry for a longer period.

Next I would like to say a few words about the constitution and the functioning of the Central Silk Board. This Board is mainly intended to take suitable action for the development of the sericulture industry. It has got wide representation from all over the country from the various parts where the sericulture industry exists, as for instance, Mysore. It has got eight representatives on the Board. Then there are States like Bengal, Bihar, Madhya Pradesh, Assam, Madras and Andhra Pradesh. They are also represented on the Board. On this Board, therefore, you have representatives from all these parts of the country where the sericulture industry exists. And then the Textile Commissioner is the Chairman of this Board. Still I do not know the reason why the Government is shirking to give it some responsibility as far as the allotment of finances for the development of the silk industry is concerned. The Government has not parted with that responsibility in favour of this Board. I do not know for what purpose the Central Silk Board should exist when it has no power to sanction at least a few loans for the development of the silk industry. It is just a recommending body. It cannot exert any control over any of the State units. That being so the Central Board cannot play its part efficiently at present. That is why some of these deficiencies are there, like the non-implementation of modernisation and also the failure to supply disease-free layings. Though due to instructions from the Central Government and also the initiative of the Central Board, they were able to enact the Disease-free Layings Supply and Distribution Act in 1962, in Mysore it could not be implemented effectively so far. I think, even

where it is implemented it has been a failure. If you compare the quality of seed supplied today with the quality prior to this Act, you will find that it has gone down. I think the hon. Minister also knows that in 1946—48 when we were supplying Mysore silk to the Parachute Companies, the quality of the cocoon was higher than it is at present. The rendita was ranging from 14 to 16. Today it has gone down and it is between 17 and 21. If there had been improvement in the quality of the cocoon, then the rendita would have improved. On the other hand as I have said, it has gone down. If we compare the quality, it is not development that we have achieved, but it is deterioration. The purpose for which we enacted the law for the supply of disease-free layings has been defeated. I do not know how the Central Silk Board and the Central Government release funds for the development of this industry only for enlarging their departments. They should see that there is the supply of disease-free layings to the rearers. If this is not done, then it is the duty of the Government and of the Central Silk Board to instruct the persons concerned to supply such layings and to rectify the existing defects. The State Governments should see that the quality of the seeds is improved. We have got only multi-voltine races. We cannot eradicate the existing defects unless we improve the quality of the race. We should also improve the quality of the Denier. So we have to find out better races so that the filaments drawn out of them can be longer. For all this we have to take the initiative in order to see that the basic seed is maintained to improve quality, maintain the same at various levels. For this we have got to select suitable climatic conditions. To maintain the quality of the "basic seed, the best place is situated in Jaiiunu and Kashmir in the northern parts, and in the Nilgiri Hills and the Biligere Hills in the southern parts. So these hillocks should be utilised for the maintenance of these basic seeds. In the matter of maintaining the quality of the basic seeds to en-

sure the better quality of the seed distributed to the agriculturist is the State concerned. And then there are those who are concerned with the rearing of the silk worm. For this purpose the Government has to supply these people with disease-free layings. I want the Central Government to instruct the State Government to take up this matter and provide finance for the implementation of these projects so as to ensure that the best seeds are available to the sericulturists.

The Government has already taken a decision, to provide a full-time Chairman to the Board, a person who will be exclusively in charge of the Sericulture Industry. But they have not yet placed anybody in charge of this institution. I would request the Government to take immediate steps to provide a suitable Chairman who is an expert in this line. It does not matter even if he is a retired officer, but he should be an expert. Any person who heads this Institution must be an expert in sericulture because it is a difficult job. When we compare this industry with the other industries we find that this one has got wide differences from the others. Here it involves the cultivation of the mulberry and there, as I said, the agriculturist is concerned. After the cultivation of the mulberry the rearer comes in and then there is the man who does the reeling. So technical assistance is also needed. Research is needed for getting better quality of leaf, better seeds, better technique of reeling of cocoons. So it is a very difficult job to bring about improvement and progress in this industry. So I would request the Government to see that a proper man is made the Chairman of this Board, a person who is an expert and who can be of use to the industry. With these few remarks I support this Bill.

SHRI M. N. GOVINDAN NAIR (Kerala):
Madam Deputy Chairman, this Bill seeks to extend the protection to the sericulture industry for another three years. This industry has been enjoying protection for more than 30

[Shri M. N. Govindan Nair.] years and at one time this industry had earned a name for India; not now but years ago. Today we are at a stage that for this industry to survive protection is needed. I am not against extending protection to this industry but the question is after all these years of protection, what is the progress that we have made in the matter of improving this industry so that it can stand on its own legs? The hon. Member from Mysore who spoke just now gave a vivid picture about the state of this industry. Now nearly three million people are involved in this industry. In spite of the fact that protection has been given to this industry all these years and in spite of the fact that the Silk Board has been formed, I hope the hon. Minister will not deny the fact that the industry has not made much progress.

Now with regard to the improvement of the mulberry tree and with regard to the improvement in the matter of raising the worms to be used in this industry the Government and the Silk Board have failed to do what they could have done. During the Third Plan period only 50 per cent, of the money allotted for the improvement of sericulture was expended. And nearly 80 per cent, of this industry happens to be in Mysore State. Take the question of the mulberry tree. Even after all this protection and all this allotment of funds the mulberry tree is entirely dependant on the rains. You were not able to find enough funds or make necessary arrangements by which at least the cultivation of this tree in places where the climate is suitable is increased and that cultivation is protected by irrigation instead of entirely depending on the rains. Even in such a simple matter you have not succeeded.

Then there is the other complaint. When 80 per cent, of the production is in one particular State, in order just to suit the convenience of one officer the Silk Board is situated in Bombay. They have been clamouring

for a full-time Chairman for the Silk Board but the Government has not yet conceded that very simple and legitimate demand. I am pointing out all these things just to show that when it comes to a question of giving protection you come out with all kinds of arguments about protecting this industry from foreigners, etc. but immediately after that you forget necessity of developing and improving this industry so that the period of protection may be lessened. I am quite sure that even after this extension of three years you are not going to put this industry on its own feet. Again you will be coming up with a demand for a further extension of this protection for this industry. So at least now if the Government takes care, pays more attention and make this Silk Board an effective body with enough funds an authority to spend those funds for the improvement of the industry, they will be able to help in some way to improve the sericulture industry in our country. Other wise this will be a normal affair after three years you will again come and ask for protection and this process will continue and the industry will remain as it is.

Now, it is not difficult to know the modern technique. There are other countries like Japan, China, Russia, and others where this industry is developed very much. You can utilise their technical know-how. If so, as pointed out by my hon. friend in a place like Kashmir which is famous for silk the attempt at modernisation has not succeeded. He spent about 300 basins and actual production came to only 30. Even though I am not opposing this Bill, my point is that you should at least try your best within these three years to put the industry on its own feet by making strenuous efforts to improve this industry and the first step in that direction would be to make the Silk Board an effective organisation and instead of having it in Bombay it should be shifted from there to Mysore. It will be much more helpful for

improvement and development of this industry.

Thank you.

SHRI M. SHAFI QURESHI: Madam, I am extremely pleased that certain very good suggestions have been made by hon. Members and especially Mr Venkatappa's insight into the problems of the silk industry is really very commendable. But I must make it clear that although we are fourth so far as production in the world is concerned, we are hardly producing 4 per cent of the total world production of silk. So India is producing only a very negligible amount so far as the total world production is concerned. Japan is producing more than 50 per cent of the world production; then comes Russia, then comes China. So far as the order goes we are the fourth all right but our production is only 4 per cent, of the world production. Out of this 4 per cent of world production hon. Members are aware that nearly 75 per cent, of the silk is produced in Mysore which is multivoltine type of silk. But it is the univoltine type of silk which is in great demand in the world and unfortunately it is grown only in areas of Jammu and Kashmir and if we try we can grow it in Himachal Pradesh and other Himalayan regions. But it takes time. If we have to compete in the world, we can compete only if we have silk of good quality. The world now is moving from these artificial fabrics to natural fabrics again. They want pure wool. They want pure silk. They are fed up with terylene and other artificial things. So, there is a very great future so far as silk is concerned, but the main thing is what about the quality. Are we in a position to produce the best quality of silk in India? The silk that we are producing in Mysore is good for local, internal consumption, but if we are to compete with the world, we must have this univoltine type of silk, which can compete with Japanese silk, Chinese silk, Russian silk or silk of any other type. For this the Government has got to see—and it is looking into it through the efforts of the Silk Board-

that proper incentive and proper guidance is given to the real grower of cocoons. Unless the real grower, the man who has to feed the silk worm like a child, is given an assured price for his cocoons, he will not possibly take to the production of cocoons. It is only when he has got a definite and positive assurance that he will get this much money from his cocoon that he will divert his attention from his other occupations and take to the production of silk really. For that what is required is that a good incentive should be given. Proper training facilities should be provided to the real growers of the silk cocoons.

So far as the question of mulberry trees is concerned, I can assure my hon. friends here that the research stations are looking into it. They have been able to produce a bush type of mulberry tree. There is constant research going on and the results are very good and I can say that certain areas, for instance, Jammu and Kashmir, will become absolutely self-sufficient so far as seed is concerned and after two or three years they will not have to import any Japanese seed for the production of silk.

So far as the international price and the internal price are concerned, the fluctuation in the international and internal prices is so great that we had to come to an agreement with this industry. Otherwise, the silk industry, whatever has survived so far, would have absolutely died out. Mr. Nair said that this was once a glorious industry. I must tell him for his information that even with our little effort, India this year won the world's biggest prize. The world prize was awarded to India by the World Silk Congress. An Indian fabric was adjudged to be the best fabric in the world. There were nearly forty countries which had brought their silk products to that particular exhibition. So far as quality is concerned, so far as the technique and design are concerned, we are not lagging behind. The only question is more production. With only 4 per cent, share in the

[Shri M. Shafi Qureshi.]

world's production we are not making much headway. But we are confident that we can grow more of these mulberry trees and have more of this uni-voltine type of silk in this country, because for us it would mean employment for thousands of people, provided proper encouragement is given to the real growers of the silk seed and silk worm.

So far as the Silk Board is concerned, once again I have to say that hon. Members of both Houses, Lok Sabha and Rajya Sabha, are members of the Central Silk Board. No so far as the question of having a separate, independent Chairman for the Silk Board is concerned, I quite agree with the Members and I can assure them that a decision will be taken within a month or two about having a separate Chairman for the Silk Board. Previously the function was combined with the Textile Commissioner. The Textile Commissioner is a very busy officer and has much work so far as other textiles are concerned. So, the Government has thought it necessary that we should have a full-time Chairman for the Central Silk Board, and he should devote his entire attention to the development of silk in different parts of our country.

I do not think any other points. So far as the question raised by Mr. Govindan Nair is concerned that we must provide irrigation facilities and have better techniques for the development of mulberry, I quite agree with him. The Central Silk Board is looking into this matter. It would be for the States concerned to provide the irrigation facilities for the growing of mulberry trees in their offli areas. I have nothing more to say.

SHRI M. N. GOVINDAN NAIR: Why is it that only fifty per cent, of the money that has been allotted has been spent?

SHRI M. SHAFI QURESHI: The question is not only of money. The question is one of having more areas

and of encouraging more people to grow more silk worms and mulberry trees. Unless you do that, what is the fun of having more money in your hands? Who is going to utilise this fund? The point is people must, first of all, be given some incentive, some encouragement to grow mulberry trees, to grow cocoons and bring the silk out. Wherever funds are needed, they will be given. We have got sufficient funds.

SHRI AKBAR ALI KHAN (Andhra Pradesh): Why were not these steps taken and people encouraged to grow more, when you had the money?

SHRI M. SHAFI QURESHI: The States are doing it and the Centre is also looking into the matter.

THE DEPUTY CHAIRMAN: The question is:

"That the Bill further to amend the Indian Tariff Act, 1934, as passed by the Lok Sabha be taken into consideration."

The motion was adopted.

THE DEPUTY CHAIRMAN: We shall now take up the clause by clause consideration of the Bill.

Clause 2 was added to the Bill.

Clause 1, the Enacting Formula and the Title were added to the Bill

SHRI M. SHAFI QURESHI: Madam. I move:

"That the Bill be returned."

The question was put and the motion was adopted.

**MOTION RE REPORT OF
THE MONOPOLIES INQUIRY
COMMISSION, 1966**

THE DEPUTY CHAIRMAN: Next item is the motion to be moved by Mr. Banka Behary Das. We are just