

of India in relation thereto be taken into consideration, and having considered the same, this House approves of the said policy."

The motion was adopted.

RESOLUTION RE. LEVYING OF EXPORT DUTY ON CERTAIN COMMODITIES

THE DEPUTY CHAIRMAN: We go to the next Resolution to be moved by Shri Manubhai Shah.

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

SHRI LOKANATH MISRA (Orissa): Where is he?

SHRI V. M. CHORDIA (Madhya Pradesh): We want to know where is Mr. Shah.

SHRI M. SHAFI QURESHI: I am giving the reasons. My socialist friend should not differentiate between a Minister and a Deputy Minister.

[**THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA)** in the Chair]

Madam, the cotton manufacturers from all parts of the country have gathered in Delhi.
4 P.M.

SHRI LOKANATH MISRA: You must say, in the name of Shri Manubhai Shah.

SHRI M. SHAFI QURESHI: There is the yearly meeting of the Cotton Textile Consultative Board and Shri Manubhai Shah is the Chairman. Certain very important decisions pertaining to the export policy of this country are to be taken in this Board. So, he is not in a position to be present in the House. I seek your permission that I should be permitted to move this Resolution on behalf of Shri Manubhai Shah. But I assure the House that after the hon. Members have made their speeches on this motion, the Minister will come and will reply to the debate.

SHRI AKBAR ALI KHAN (Andhra Pradesh): Is he in Delhi?

SHRI M. SHAFI QURESHI: He is in Delhi.

SHRI LOKANATH MISRA: He is in Delhi, but not in the House.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): He has explained.

SHRI M. SHAFI QURESHI: Sir, on behalf of Shri Manubhai Shah, I move the following Resolution:

"In pursuance of sub-section (2) of section 4A of the Indian Tariff Act, 1934 (32 of 1934), this House approves of the Notifications of the Government of India in the Ministry of Commerce S.O. No. 1696, dated the 6th June, 1966, as amended *vide* Notification No. 43(3)-Tar/66, dated the 6th June, 1966, S.O. No. 1841, dated the 15th June, 1966, S.O. No. 1940, dated the 27th June, 1966 and S. O. No. 2133, dated the 15th July, 1966, levying export duty on sacking (cloth, bags, twist yarn, rope and twine), jute manufactures of certain description, cotton waste (all sorts), tea, all oilcakes other than copra and groundnut oilcakes, tobacco manufactured, mica, all sorts, hides, skins and leather, tanned and untanned, all sorts, but not including manufactures of leather, and coir and coir manufactures from the date of such notifications."

Sir, I will not take much time of the House but I will make a brief introductory speech.

The House is aware that the Government of India took a very momentous decision to refix the par value of the rupee with effect from 2 a.m. on 6th June, 1966. The new par value has been fixed at 1 rupee equal to 0.1185 gramme of gold as compared with the present par value of 1 rupee equal to 0.1866. The rupee has thus been devalued by 36.5 per cent. This corresponds to a new rate of exchange of Rs. 7.50 to 1 U.S. dollar which again corresponds to Rs. 21 to 1 pound sterling as compared with the rates of Rs. 4.76 to 1 U.S. dollar and Rs. 13.33 to 1 pound sterling prevailing before the 6th June, 1966.

This decision to change the par value of the rupee has been taken after the fullest consideration and Government are convinced that it was in the best interests of the economy. But I must submit that devaluation by itself cannot be a panacea for all the evils of the country. What is

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needed is that disciplined follow-up steps have to be taken to see that this devaluation, which has been brought about, brings that desired results and our exports, as envisaged, go up and our dependence on foreign imported materials decreases day by day.

In the case of those of our traditional exports which required relatively little assistance prior to devaluation, it became necessary to levy appropriate export duties so as to mop up the surplus but at the same time leaving a sufficient edge to the exporter so as to give him a competitive advantage. Thus, export duties were levied on a small number of specified items to ensure that the unit value of foreign exchange realised did not increase and that there was no windfall for the exporters as a result of devaluation. Thus, with the change that has been made in the par value of the rupee, on devaluation, an exporter, who earns 100 dollars, will now be able to earn Rs. 750 as against Rs. 476 earlier. This is a strong stimulus to our export effort in respect of items which were more or less competitive before devaluation, in the world market. Quite apart from helping competitiveness of our exports, this will provide a strong inducement for the flow of investment into export industries and thereby progressively strengthen our export position. Now such a stimulus was not called for in the case of certain traditional items of exports. In such cases the Government has levied export duties to moderate the stimulus and yet leave sufficient incentive for growth.

The Government of India issued five Notifications and the net result of these Notifications is that duties have been levied on certain items. The first item is jute manufactures including sacking (cloth, bags, twist yarn, rope and twine) and the rate is Rs. 600 per metric tonne. On all other description of jute manufactures not otherwise specified, the duty is Rs. 600 per metric tonne. On tea it is Rs. 2 per kilogramme. On all oilcakes other than copra cakes it is Rs. 125 per metric tonne. On tobacco, unmanufactured, it is 75 paise per kilogramme; on cotton waste, all sorts, it is 40 per cent. *ad valorem*; on mica, all sorts, it is 40 per cent. *ad valo-*

rem; on hides, skins and leather, tanned and untanned and sorts but not including manufacture of leather, it is 10 per cent. *ad valorem*; on coir and coir manufactures, it is 25 per cent. *ad valorem* and on other coir manufactures it is 10 per cent. *ad valorem*.

Some changes in the above rates of duties have been brought about by virtue of other Notifications.

SHRI BHUPESH GUPTA (West Bengal) : How many pages ?

SHRI M. SHAFI QURESHI : I am trying to shorten the whole thing because if I go item-wise and read all the Notifications, it will take much time.

I would like to emphasise that with devaluation, a revision in the present range of import duties has also become necessary. In carrying out this revision, Government have kept in view the need to avoid any adverse effect on the Budget. At the same time, the new range of duties would be such that the total import cost, especially for machinery items, is not out of line with the cost of similar or comparable items produced in India.

As I have already stated, the main thing is in respect of certain traditional commodities, the internal consumption of some has gone up rapidly. For instance, take tea. Its internal consumption is going up day by day. In respect of textiles, the internal consumption is going up day by day. Similar is the case with coffee and other commodities. The whole basic thing is that our base is mainly agricultural. Unless we produce more, we shall not have more for internal consumption and we shall not have any surplus for export. So, the basic remedy for all these things is that we must produce more in this country and it is the duty of the entire House to see and ask the entire nation that it endeavours to grow more of these things so that we have more production and also have more surplus for the purposes of export.

In conclusion, it may be emphasised that the whole of objective of these measures taken by the Government is to put our economy on a sounder footing and pave the way for future progress and development. This objective would, however, be

defeated unless the necessary discipline is observed to keep inflationary pressures under control. Only by so doing can we defend the value of our currency and prevent the recurrence of a similar situation in future.

With these words, I move the Resolution.

The question was proposed.

SHRI BHUPESH GUPTA : Mr. Vice-Chairman, I wish there was export duty on Ministers.

SHRI DAHYABHAI V. PATEL (Gujarat) : But they all come back.

SHRI BHUPESH GUPTA : When they come back we will have import duty. Therefore, I wish it was so because the more I think of this Minister and his behaviour, I do not know how to protect the national interest. But one of the ways I thought would be imposing export duty. When our esteemed friends, Mr. Asoka Mehta and others go abroad, there should be a heavy export duty. Mr. Asoka Mehta would not mind because he is a heavy weight in such matters.

SHRI AKBAR ALI KHAN : What about the Opposition leaders ?

SHRI BHUPESH GUPTA : Now, it is a strange thing. When devaluation was announced—But before I start on that I only want to say lest I should be misunderstood that if the extra profits earned by certain groups of exporters are mopped up for investment in the desired lines of development, I have no objection. I make it very clear.

SHRI AKBAR ALI KHAN : That is the only point ?

SHRI BHUPESH GUPTA : Just a minute. You will understand it later. Mr. Akbar Ali Khan, you do not understand many things. That is one of the things. Therefore, I make this preface.

(Interruption by Shri L. N. Mishra)

SHRI LOKANATH MISRA : The Deputy Finance Minister wants to know what about you ?

SHRI BHUPESH GUPTA : Oh. You have joined the Ministry. I thought you

were a displaced person. Anyhow, I like to see everybody rehabilitated in life. Therefore, I began by saying that if it were merely a question of mopping up of the additional earnings or additional profits by the exporters on account of the devalued rupees, I would be all in favour. But he, towards the end of his speech, from his point of view rightly, from my point of view alarmingly, touched on another interesting subject, namely that there should be cut in consumption. Let me start with that.

Mr. Vice-Chairman, exports must be thought of in the context of requirements within the country. They cannot be divorced from the needs of consumption within the country. In an under-developed country like ours, where the overwhelming majority of the people do not have the bare necessities of life, the first and foremost duty for a Government of such a country is to ensure that the people get their minimum daily requirements. We here do not produce things primarily from the point of view of export. In any country they produce things to meet the basic requirements of their people and then think of exportable surplus in order to earn more foreign exchange so that they can advance their economy to uplift the cultural and material conditions of the people. Therefore, in the scheme of things always it is the masses, it is the common man whose condition has to be ameliorated. The instrument of our foreign trade should be—whether it is export or import—planning in the direction of improving the conditions of our people. Now, therefore, that element is completely missing.

He suggested cut in consumption. That is the line adopted. After devaluation we are faced with this situation and we shall be progressively facing this situation, when our masses, workers, peasants and other sections of the toiling people would be more and more called upon to forego their bare necessities in order that the Government could pile up certain export materials in order to make up the losses on account of the devalued rupee. That is why we are doing such a thing. Therefore, it is no surprise that towards the end of his speech he had to refer to it. Yesterday, I think, at the meeting of the Consultative

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Committee of the Ministry of Commerce, Mr. Shah said something. I read it out :

"Mr. Shah explained that he was not urging restrictions on mass consumption items and their diversion to export markets but reasonable restraints on a variety of products where austerity in home consumption would help exports substantially. Citing an instance, he said, 20 million kilograms more of tea would become available for exports if tea drinkers reduced their consumption by one cup a day."

You see the shape of things to come. Our people do not take many cups of tea a day. I do not know how many cups of tea Mr. Manubhai Shah or his colleagues in the Government take. The common man in the country does not consume ten, or five or six cups a day. He cannot just afford it. Now today he is asked to take one cup less. Suppose he takes two cups. That means he is asked to forego tea in the evening or in the morning. That is how things stand. Therefore, this is the demand. This is only symptomatic of what is going on today or what is developing in the Government policies today. This bankrupt Government has brought the country to the brink of bankruptcy, and having brought it now to that position it asks the people to undergo privations further in order that they can build up this kind of exportable surplus artificially by denying to the people what they need and then arrange some money.

No wonder today there is a talk about wage-freeze. Do not take these things lightly. Some of the hon'ble Members, if I may say so, took the talk about devaluation lightly. You would permit me to give one example. I do not say this to substantiate it as a Member of Parliament. I was in Moscow in May this year when Mr. Asoka Mehta made his speech in the other House about Planning. He said there would be no devaluation etc. I read it in the hospital where I had an operation. I thought that Mr. Asoka Mehta was misleading the country because I never believed him. And I wrote from my hospital bed an article in the 'New Age.' I said that Mr. Asoka Mehta should not be believed because this Government will not ignore the recommendations of the Bell

Mission. You can look for that article at the end of the May issue of the 'New Age'. Many of us felt that this Government would ultimately yield because it is one of the most rotten Governments on the earth today. And you see the Minister today doing it in this manner this business. Therefore, when they talk about this thing, do not take it lightly when they say they are going to build up surpluses.

Now how is this Government going to build up export surpluses? They are going to build up surpluses by denying the people, cutting consumption at the level of common man. How can they do so? By putting up more and more of excise duties, by taxation and so on and also by encouraging profiteers to raise the prices so that it becomes impossible for the common man to buy things because that would be beyond the reach of his purchasing power. This policy has been followed in other countries and this is being followed here and this will be followed. Now the theory has come—wage freeze. Of course, for courtesy's sake they say price freeze also. We know it is all a bogus talk. As far as price freeze is concerned, they have been saying this thing for the last 10 to 12 years and the prices are rising. And now the Finance Minister says that during the last ten years the wholesale prices have risen by 80 per cent. or so. Therefore, as far as that talk about price freeze is concerned, we need not take that at all seriously. They have proved to be utterly incompetent to cope with the problem. They are lacking in imagination, lacking in ideas, lacking in courage, lacking in everything. They have completely failed in tackling the problem of prices and holding the price line so much so that they have allowed the rupee to be stabbed in broad daylight by the Americans. But what can they do? It requires a big stick.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Mr. Gupta, devaluation debate will come tomorrow.

SHRI BHUPESH GUPTA : This is about export. I am coming to that. If I may quote Mr. Swaran Singh, my burden is lightened. Mr. Swaran Singh is always lightened since I am in Parliament. Never he had said : 'My burden has been made heavier'. Always after the speech from the

Opposition he says : 'My burden has been lightened'. Let my burden be lightened.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : You will have to repeat tomorrow.

SHRI BHUPESH GUPTA : Let me start with an attack against this Government. Now see the items they are including. They are some of the consumption items of the people. Therefore I say that wage freeze will be easier because you can pass a law and you can ask the employers to have a wage freeze. Price you cannot control like that because then you will have to deal with profiteers, speculators, etc. The Government can easily pass a law that no employer shall increase the wages without the sanction of the Government and already they have started the wage freeze in the Government undertakings among the Government employees. Therefore what they are more likely to do—and that is what I fear—is to go in for a wage freeze and there is talk about it. Shri Morarji Desai has suggested this thing in the Congress Committee. In the so-called note or memorandum of 16 or 12 points, he has said all sorts of things. Mr. Patil said that the Government is contemplating, although Mr. Jagjivan Ram would not say this. I do not say that the Government has come to the conclusion, but the mind is working in that direction and these are only precursors of such things. Here a number of items have been included in this. Do I understand that our industries are producing such surplus in all these things that after meeting the basic minimum requirements of the people, we are in a position to export so much? No. We do not think so. In fact, 40 or 50 per cent. of the installed capacity of many of the industries are not working at all. In some cases, it is even 80 per cent. Now jute products have been included here. What is happening there? There are now closures taking place, and reduction is taking place. Now they want to do this also. Therefore as far as the question is concerned, the line is one of seeing that the economy is strained at the cost of the people in order to make up for the losses they have brought about as a result of the devaluation.

They say more will be earned. It is unfair. Now our exporters will be earning

a lot of money and it is supposed to be an incentive. Yes, in monetary terms it will be an incentive in the sense that by selling 100 dollars worth of goods in the U.S., they would be minting Rs. 750 as against Rs. 476 before the devaluation, or in the case of the pound they will be earning Rs. 2,100 as against Rs. 1,330 before the devaluation. The other side of the picture should not be missed. It means that in order to earn 100 dollars in the U.S. we will have to export one and a half times in quantity. That is to say, the physical quantum of our exports will have to go up in order to earn £ 100 in England after which, of course, you will earn more rupees but we will have to spend one and a half times more goods. What does it mean? It means greater drain on the internal production of the country when the basic requirements of the people have not been met. Do we not know what has happened with sugar after the subsidised export trade? Therefore I say that the line is known. It is a very serious thing. The Government should not try to make it look like a matter between the exporter and the Government.

The social implication is also there. What is going to happen? If they go on at this rate, there will be a pull on our things from the export market and there will be an artificial boost to send things outside to placate some exporters here because they live in this country and they will certainly gain for £ 100 much more in rupees, I agree, but only a small section will benefit and a large section will suffer potentially and actually. What is the social implication of it? It means the workers will have to put in more work. After all, we have to pay for this kind of thing in our country. We sell goods. The goods are not produced by the capitalists. The sons of Tatas and Birlas do not turn the wheels. It is the workers who do it. The worker who will be, before devaluation, working for sending 'X' quantity of goods, 100 hours, will now have to work for more hours. We lose in national power. He will have to work for 50 hours more in order to earn the same foreign exchange because he will have to increase the physical quantity of the goods you send abroad in order to earn the same amount of foreign exchange after devaluation, and that will mean, in the ultimate analysis,

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intensity of exploitation of our labour. Therefore the line is one that our labour will be made to work more internally for the exporters and profiteers and also for those who will derive benefit from buying in the Indian market at cheaper rate in terms of foreign requirements. This is a dangerous development which is taking place. Often we lose sight of the fact of what happens to the labour power. Wealth is created by the labour and now the result under this scheme will be dissipation of the labour power in a direction which is utterly anti-national and against the interests of the nation. Now our workers will be asked to work more for meeting the consumer needs of the people in England and the USA where they have got plenty of things whereas they will be working, relatively speaking, less for meeting the needs of our consumers in our markets.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): How long will you take?

SHRI BHUPESH GUPTA: I will take some more time. It is in mutual interest that I should take a little more time.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): You will have to repeat the whole thing tomorrow.

SHRI BHUPESH GUPTA: I have plenty of other things as far as tomorrow's debate is concerned, but you are quite right; but this unfortunately relates to this. It has arisen from the devaluation.

The second point in this connection is, at the time of the devaluation we were told that selective incentives on export was not good. Mr. Krishnamachari took the line that there was no need for devaluation when pressure was brought to bear upon him. His line was to subsidise the export, a kind of selective incentives to certain lines of export trade in order to meet the requirements. Mr. Sachindra Chaudhuri, in his statement, mentioned another line of the Government that this idea of selective incentives or export subsidies was not good and what we should do is to bring the whole thing on a natural plane, that is to say, devalue the rupee so that there is no need, there would not be need for export duty and so on. You will

find that the two things have happened already. Hardly two months have passed after the devaluation. You find that on the one hand they have devalued the rupee. On the other they are returning to the same kind of subsidies, and import liberalisation also has started. I am not concerned with it here. We are concerned more the export trade here. Therefore there is utter confusion. Why is there this confusion? I will explain that to you. When devaluing, they did not go into the question whether it will be possible to do away with export subsidies or export incentives, etc. They went in and they did not know how to control the profiteers and so on. The result was that it was done thoughtlessly and Mr. Patil said in the other House that the Cabinet decided it and he said: 'The Cabinet discussed it'; he bravely said 'For two hours we discussed devaluation and came to a unanimous conclusion'. Mr. Vice-Chairman, how do you feel—two hours? Is devaluation a subject that can be settled in two hours by 13 Cabinet Ministers or 15 Cabinet Ministers getting less than 4 or 5 minutes on an average to speak on this subject or to discuss this matter. Therefore, that itself shows how lightly they treated it, whereas in England, you see, when the devaluation question came up before them, there were discussions, week after week, going on among all sections of the people, discussions with bankers, politicians, economists and so on, in order to defend the rupee. But they discussed it in two hours. These Ministers thought of devaluation and settled the question in two hours. All the same, from 8 O'clock to 11 O'clock they spend the time in preparing themselves to answer our supplementary questions. Now Ministers came after three hours' preparation to answer our supplementary questions on a Starred Question.

SHRI K. K. SHAH (Maharashtra): How do you know?

SHRI BHUPESH GUPTA: You go to a Minister's house in the morning and you can see his crest-fallen face. Now they take three hours to prepare themselves to answer in the House the supplementary questions arising out of a Starred Question, and the same Minister, we are told, decided the whole thing of devaluation and the rest of it in two hours' time, and having done so, treated the subject in this

cavalier manner, with utter ignorance and under pressure, obedient to the United States of America and treacherous to our country. Now they are in confusion. I do not know what they will do.

Now as far as the Duties are concerned—mopping up. Well, he has said he is going to mop up. Very good. Mop up, mop up. But you cannot do it, I know, because what is the guarantee? There will be underhand dealings in this matter, and the question of under-invoicing and over-invoicing will grow; this will grow. You will export things. Yes, but then now is a better chance for this kind of manipulation in invoicing of these things; this will grow. Therefore, that way no more you can do anything. The only thing that remains to be done now is this. If you are at all sincere and if the follow-up measures were not meant to be for further appeasement of the monopolist class, of profiteers and financiers, the only thing that you need to do is to nationalise the entire foreign trade, and the question of this kind of subsidies or the question of this kind of Export Duties will not at all arise in such a situation.

(Interruptions)

SHRI BABUBHAI M. CHINAI (Maharashtra) : It is not subsidy.

SHRI BHUPESH GUPTA : They are giving it also. Mr. Chinai, you know very well. I know how you are pressurizing the Government. In the beginning you expressed your doubt about devaluation. But being a wordly wise man and having known how to make millions, after the devaluation was a settled fact and the wind began to blow in your direction, you changed your point of view.

SHRI BABUBHAI M. CHINAI : No, you will know it when we discuss this subject tomorrow and I speak.

SHRI BHUPESH GUPTA : Now you have made a statement, Mr. Chinai. I have read your statement. You are a very intelligent man and you are one capitalist who combines intelligence with millions. But your millions are more than your intelligence.

DR. B. N. ANTANI (Gujarat) : I have my sympathies for Mr. Chinai.

SHRI BHUPESH GUPTA : I have always admired him because, after all, the capitalist class is not a class of fools. Government Cabinet Ministers may consist of or may be members of such categories or their supporters. But they are a very intelligent people and they know. At the time of devaluation, all the capitalists including him made a statement expressing doubts and other things except perhaps one or two members, among them Mr. R. D. Birla, I believe. But then, when the going was good and the doors had been thrown up for the monopolist class, these men are changing their line of argument. Now they are putting forward a number of views, are specially demanding follow-up measures. And what kind of follow-up measures they are demanding we know—more concessions, more import licences, more decontrol and all the rest of it.

SHRI BABUBHAI M. CHINAI : It is all imagination, nothing else.

SHRI BHUPESH GUPTA : It is not my own imagination. I read your speeches. Well, I do not know; I should be very happy if you abandon such ideas, and if you abandon your money, I should be very grateful. This is the thing now; I say that these are now the follow-up measures which have started. There will be two types of follow-up measures. One line they have spelled out, the line of greater concessions from this Government, this weak-kneed Government which is vulnerable to all the pressures and onslaught, and which does not know how to handle things in this world. And there is another type of follow-up measures for which we stand, and that follow-up measure is, to begin with, to nationalise the entire foreign trade. Mr. Manubhai Shah should nationalise it and disband the monopoly houses to which Mr. Chinai belongs. You may say that you do not belong to the monopoly houses. You may be belonging to the ante-room of Tatas, but none-the-less you belong to the same class of monopolists.

SHRI BABUBHAI M. CHINAI : I am proud of it.

SHRI BHUPESH GUPTA : Therefore I say, "Disband them." It is not a question of treating them in this manner. Nothing should be left in their hands.

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Besides, it is an atrocious thing that due to devaluation certain exporters should gain the benefit. If, for example, by sending 100 pound sterling worth of goods abroad I can earn now Rs. 2,100 instead of Rs. 1,330 before, the benefit should wholly go to the State. The benefit should not go to certain exporters.

SHRI BABUBHAI M. CHINAI : The hon. speaker is misleading the House. What he is speaking is something contrary to what the motion says. The motion before the House is on Export Duties and on the mopping up of profits. But here the hon. Member is repeating all the while that by exporting, those who are exporting will be minting money. It is wrong and he is misleading the House.

SHRI BHUPESH GUPTA : Don't be misled by me. I am not at all misleading the House. Mr. Chinai must understand. You want to mislead the House. I do not want to take a little from you. I want to take the entire money. Are you prepared, Mr. Chinai, to make over the entire money?

SHRI BABUBHAI M. CHINAI : Certainly not, and you will not be able to do it under any circumstances, to take it from me, Mr. Gupta.

SHRI BHUPESH GUPTA : I know that, Mr. Chinai, and as long as you are in power, I shall not be able to do so. I am quite conscious of the fact that as long as the capitalist class, and your political representatives especially, who compromise with the Americans, are in power, I shall not be able to do it. But if I am in power, Mr. Chinai, I shall make you a worker.

SHRI BABUBHAI M. CHINAI : That will never happen.

SHRI BHUPESH GUPTA : If I am in power, if I were to sit there, Mr. Chinai, I shall send you to work. You shall be a celebrated man, because you shall be working in your factory if you want to live.

SHRI N. SRI RAMA REDDY (Mysore) : The hon. Member, the other day at Ahmedabad, is reported to have said in a speech that in his system of communist Government, he would allow capitalists to thrive in this country.

SHRI BHUPESH GUPTA : There is a little confusion there. We, communists, are not monopolists. Therefore, we, communists, are realists. Today I think the capitalists have got a place but they have got to be put in their proper place. This is what I told the Ahmedabad capitalists. As to monopolists we want to eliminate them, among whom are you—gentlemen who are sitting there. Therefore, I told them that "if you conform to the standards of our social development, if you do so, then you have some role to play in the present state of development. I am not going to abolish all capitalists immediately. But ultimately they will have to go. There is no doubt about it. But today I am not going to abolish the whole lot. The process of abolition will take place in due course of time, and Mr. Chinai may come to my help in that manner. Now the position therefore is . . .

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA) : Mr. Bhupesh Gupta, you have taken almost half an hour. You have to wind up now.

SHRI BHUPESH GUPTA : Now I finish. My time was partly taken up by Mr. Chinai's intervention, and the hon. Member intervened because he understood what I said. I said that these little things would not do. What I said was that the entire thing should be taken over.

SHRI AKBAR ALI KHAN : It is different from what you said at Ahmedabad.

SHRI BHUPESH GUPTA : No, no. I say that the external trade should be taken over. That does not mean that the tiny capitalists, the small and medium capitalists should be abolished. No. If you like my Ahmedabad speech, join my Party and support it. I say here what is needed for the present. Mr. Manubhai Shah is absolutely wrong and what we should do is that we should nationalise here and now the entire export-import trade. We should also nationalise the banks and we should develop our trade on rupee basis, and have barter deals with other countries in order to meet the situation. I would ask the hon. Members to ponder over this matter. Don't treat them as if they are coming from a communist and therefore come to the conclusion that they are not acceptable. But you ponder over this suggestion because I know that

after a few years, after two or three years, you will come to some kind of introspection and you will realise that what you have done now is not the way to tackle the situation. Now small mercies will not do. We have plunged into the deep. We have taken a dangerous step and, therefore, in order to counteract the evil consequences and the aftermath, as far as possible, of the step that you have taken by devaluing the rupee, drastic steps, internally, in the internal economy are also called for. And in this case, therefore, my suggestion is that you should nationalise all these things and an integrated trade system should be developed taking into account our export trade and our import trade together, and no one should be allowed as an individual whether a capitalist or a monopolist, to benefit out of the external trade on account of devaluation because the entire nation will be paying in blood and tears for this kind of a thing. Hence it is ethically only just, economically absolutely necessary and politically absolutely unavoidable to do this, if you want even a pretence of democracy that the foreign trade of the country should be nationalised here and now as our counter-measure against the evil aftermath of the treachery that has been committed by the devaluation of the rupee.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA): May I request hon. Members to be brief in their remarks?

SHRI K. K. SHAH: Sir, Mr. Gupta has taken half an hour. We should get at least twenty minutes.

SHRI BHUPESH GUPTA: Take any time you like.

SHRIMATI TARA RAMCHANDRA SATHE (Maharashtra): Mr. Vice-Chairman, I rise to support the motion placed before the House by the hon. Deputy Minister of Commerce and I hope everybody will support it to give power to the Government under sub-section (2) of section 4A of the Indian Tariff Act, to levy or increase export duties. Everybody will support this motion because the situation demands it.

Sir, every country is trying to import less and to export more. Everybody agrees that it is in the interest of the country to have a favourable trade balance. But have we achieved that during the last

eighteen years? We have imported more and exported less. Coming to our export figures, I find that in 1964-65 the figure was Rs. 816 crores. But in the year 1965-66, the figure is Rs. 810 crores. We have imported necessary machinery in order to start key industries and other important industries. And we have succeeded in starting so many big industries also. But on the whole, due to so many causes, our imports have been always rising. Over and above all that for some years past we have been importing food-grains—a fundamental necessity of life—and also armaments and materials required to defend our country. No doubt we had committed some mistakes in the past. There were also so many complicated situations that arose and the result has been this devaluation of our rupee. But this is a warning to us, no doubt, that henceforth if we want to pave the way, as the hon. Minister said, if we want to progress further in our development, this measure is necessary. I would add that we should be very cautious and we should think not ten times but hundred times before importing things or giving permission to import. At the same time, we should try our best to increase our exports.

The hon. Member, Shri Bhupesh Gupta, said something about what the hon. Minister said about consuming less. I want to deal with that point first. If the country needs it, we will have to go without even a cup of tea. If I may remind the hon. Member, Shri Bhupesh Gupta, who seeks inspiration from the Soviet Union that Russia had passed a 'meatless' ordinance in 1933 in order to be able to export meat to France and Denmark when those countries faced large-scale death of livestock. China is also doing something like that, we know. China is compelling its people while we want to change the public opinion and we want to appeal to the people for the good of our country. The hon. Member referred to the case of the United States also. But in that country they have got more of supply and less of demand and that is why there is no question of rationing or anything of that sort there.

Next I come to some specific questions and there I want to deal with cotton which is being imported, namely the long-staple cotton. No doubt, we are increasing

[Shrimati Tara Ramchandra Sathe.]

our production of textiles. But that is not sufficient and we have not become self-sufficient yet in this respect because of the increase in our population and the rise in the standard of living of our people. The hon. Minister has distributed a Note on textiles to all of us in which he says that we have to import cotton from so many countries, like Tanganyika, Sudan, UAR and so on; also from the USA under the PL 480 arrangement. Now, if this is a contract I would like to know for how long this contract will be there under which we will have to import this cotton. He also stated that there are some mills which have got special quality machinery which require this long-staple cotton. I want to know when this permission was given to them to import this cotton and what conditions were laid down. Was a condition laid down that they should export a stipulated quantity of fine or super-fine cloth? Or was it meant only for home consumption? I want to know whether it was done under the export promotion scheme. If it was under the export promotion scheme, was this condition laid down that they should export the fine and super-fine cloth that they will be manufacturing from this long-staple cotton? Or did they just buy some coarse cloth from other mills and got them printed and then exported them? If so, is this the meaning of the export promotion scheme? The hon. Minister said that it is not for the lure, but it is for the necessity. I do not understand the meaning of this word "necessity" here. He says that from one pound of this cotton if we manufacture fine cloth it will be more in quantity or length. Yes, I agree. But it will not last as long as the coarse cloth. And then it is at the expense of our foreign exchange which we cannot afford to give like this. So I want to know whether we are going to allow such imports henceforth because only exporting more will not be sufficient. We have to save or curtail our imports also wherever it is necessary or wherever we can. At least in the case of luxury goods like super-fine and fine cloths, which I definitely would call luxury things, we should curtail our imports. So I would request the Government to look into this matter. If this import of cotton is under a contract then we

port should be done by the Government will have to stick to it. But then this imported. This export will no doubt benefit fine and super-fine cloth made must be ours and diminish our imports. But we varieties of cotton. This will in the long run help us to cut down our imports. The have been closed down or for giving assistance to cultivators in order to grow better to the mills and the profits made thereon should be used for the good of mills that and then the cotton should be handed over should try to export more and more day by day. All of us here, as we know, use *khadi*. The Father of the Nation, Mahatmaji, who was the sponsor of *khadi*, called on all of us to do this. I do not have the time to go in detail into this matter, but I do hope that all of us know what is the pious principle underlying this *khadi*. I will only say here that we will have to create the necessary public opinion to consume less and to export more. We should export more and I stress this point again that whatever is needed in other countries we should consume less and export abroad as it is a buyer's market now. We know that in the last World War—Churchill and other political leaders used even old clothes after mending them and then it became the fashion. So nobody should feel ashamed and if the country needs it we will have to do it.

Coming to other things, I want to refer to tea. Shri Bhupesh Gupta also referred to tea. We will have to consume less of tea and export more. In respect of all our traditional exports we will have to do this. Day by day we will have to face more and more of competition. Ceylon is competing with our tea export. They have started some new preparation. So we should concentrate on these traditional exports and we should try for their modernisation and replantation should be undertaken so far as tea is concerned.

Coming to jute, we should also create public opinion to use the old sacks and not to throw them away. There is also a danger here. Substances like polyethene and others are used now in the world in place of jute bags and I would request the Government to give thought to this matter because if not today, after five years or ten years we will have to face this calamity. So we should start right from today

considering in what way we can modernise this industry and how we can meet the situation if there is no export of jute and there is no demand for it all over the world. So we should have long-term plans for these things. It is not only these two things; I can add some more like cashew-nuts, spices, silk and silk cloth. Wherever there is demand for these we should try to export and we should appeal to the people to consume less. Spices and other things will not do us any harm if they are not used in a large scale. The Minister said that they wanted to mop up the profits; on the contrary they want to give them incentives also. All these temporary arrangements will not help us in the long run. We must think calmly and lay down policies which will be helpful to us, in the long run. The production must go up; nobody argues about that. Unless and until there is more and more production, we will not be able to export more. Now we have come to this stage. Formerly we were exporting cotton and importing finished goods during the British period. Now we are ourselves manufacturing textiles. No doubt, we are manufacturing more and more and we are also improving but we have to do more. As for the export of traditional and non-traditional items, we have to think calmly and draw up long-term plans.

Sir, in conclusion, I would again request the Government to consider my suggestions especially about long staple cotton. The Government should think over it ten times and see if it is necessary that we should import this cotton. There is, of course, the danger of unemployment; we should provide them employment in some other industries. There should be a long-term plan and slowly day by day the import of this cotton must be restricted while this super-fine and fine cloth must be exported.

With these words I support the motion.

श्री विमलकुमार मन्नालालजी चौरड़िया :
उपसभाध्यक्ष जी, यह है तो चार ही नोटिफिकेशन की बात और उसमें भी कुछ आइटम्स में चर्चा चल गई राष्ट्रीयकरण की। हमारे कम्यूनिस्ट सदस्य श्री भूपेश गुप्त ने बड़ी तारीफ की राष्ट्रीयकरण की। नारा तो

सुन्दर है परन्तु अभी तक जितने भी उद्योगों का राष्ट्रीयकरण किया गया, अगर उनमें चल रहे पापों का वर्णन किया जाय तो इस नतीजे पर आना पड़ता है कि यह राष्ट्रीयकरण हमारे लिये अभिशाप ही सिद्ध हुआ है, हमारे लिये उपयोगी नहीं हुआ। इसी उपयोगिता के बारे में या इसकी दुरुपयोगिता के बारे में मैं चर्चा नहीं करना चाहता, मगर आज हमारा देश इस स्थिति में नहीं है कि वह सारे व्यापार का राष्ट्रीयकरण करके हम को सुखी कर सके।

श्रीमन्, यह जो नोटिफिकेशन है इसमें हमारी सरकार का मुख्य उद्देश्य यह है कि जो 100 रु० का माल बेचने पर हमारे यहाँ के व्यापारी को 157.50 रुपये मिले तो आगे चल कर 157.50 रु० में से कुछ हिस्सा हमारी सरकार लेना चाहती है। उद्देश्य तो यह है। मगर इन चारों नोटिफिकेशन को देखा जाय तो मुझे अपनी सरकार की विवेकीयता पर बड़ा तरस आता है। हमारी सरकार जस्टिफिकेशन भी बनाती है मगर खुद में इतना उलझ जाती है कि उसकी समझ में नहीं आता क्या किया जाय। उपसभाध्यक्ष महोदय, इसके बारे में 6 जून को नोटिफिकेशन निकला, फिर 15 जून को नोटिफिकेशन निकला, फिर 27 जून को नोटिफिकेशन निकला और उसके बाद 15 जुलाई को नोटिफिकेशन निकला, इन चारों नोटिफिकेशन में मूल बात 6 जून की आती है। फिर 15 जून में संशोधन करते हैं, फिर 27 जून में संशोधन करते हैं, फिर 15 जुलाई को एक संशोधन करते हैं कि यह पुराना संशोधन 6 जून से, रिट्रोस्पेक्टिव एफेक्ट से लागू होगा। जैसे रुपये का अवमूल्यन हो गया वैसे हमारी सरकार की बुद्धि का अवमूल्यन हो गया। श्रीमन्, यह जो हमारी सरकार ने रेट्स बढ़ाये हैं इनकी विचित्रता देखने से हंसी आती है। "Jute and other descriptions of jute manufactures not otherwise specified". उसका

[श्री विमलकुमार मन्नालालजी चौरङ्गिया]

पहले 'एड्वेलोरम रेट' था 78 70 पर टन, जब उसको कर रहे हैं 600 रु० पर टन। यह इतना डिफरेंस एकदम क्यों करना चाहते हैं? आखिर इसका पीछे क्या सिद्धांत है? इधर बढ़ा है 100 से 157 रु० और उधर आप 71 रु० पर 176 परसेंट ड्यूटी क्यों करना चाहते हैं? इसको उठा दे तो अच्छा है। काटन वेस्ट के बारे में उन्होंने 6 जून को विज्ञप्ति निकाली कि पुरानी जो 50 परसेंट 'एड्वेलोरम' ड्यूटी थी घसकी उपेक्षा 30 पैसा पर बिलोग्राम के हिसाब से हम ड्यूटी लगाए। उन्होंने फिर 15 जून को एक विज्ञप्ति निकाली कि 40 परसेंट 'एड्वेलोरम' की ड्यूटी लगायी जायगी। मुझे समझ में नहीं आता कि पहले 50 परसेंट ड्यूटी थी पर अब आप विशेष एक्सपोर्ट ड्यूटी लगाकर उनको जो लाभ मिलने वाला है उसको लेना चाहते हैं। इधर आप 40 परसेंट 'एड्वेलोरम' पहले से कम है, यह कह कर कहते हैं कि यह लाभ जो उनको मिलने वाला है वह लेना चाहते हैं। फिर अपनी विवेकहीनता देखिये कि 15 जून को दो विज्ञप्ति निकाली उसका रिट्रोस्पेक्टिव एफेक्ट देने के लिये फिर 27 जून को विज्ञप्ति निकालनी पड़ी कि जो 15 जून को विज्ञप्ति निकाली उसका 'एफेक्ट' 6 जून से होगा जिसके बारे में हमने दूसरी विज्ञप्ति निकाली नहीं थी। तो मैं यह चाहूंगा कि हमारे मंत्री महोदय उसके बारे में कुछ स्पष्टीकरण करें।

आइलकेक के ऊपर भी ड्यूटी लगाई। आइलकेक यहाँ से बाहर जाता है तो उसका विदेश वाले बहुत कुछ उपयोग करते हैं। क्यों नहीं हम अपने यहाँ उसका उपयोग करें? विदेशी उस आइलकेक को अपने रा प्रोडक्ट में, खाद में, फर्टिलाइजर में, काम में लाते हैं और उसका ड्यूमेक्स और प्रोटीनेक्स बनकर हमारे यहाँ भेजते हैं, क्यों नहीं हम अपने यहाँ पर भी आइलकेक के लिये

प्रोटीनेक्स का प्लान्ट लगाए जिससे हम प्रोटीनेक्स की कमी भी दूर कर सकें और विदेशों को वह न भेजना पड़े? इसी तरह चाय के बारे में पहले 66 पैसा पर किलोग्राम के हिसाब से सीमा बाधी थी और अब एकदम उसको बढ़ाकर 2 रु० पर किलोग्राम की जो इतनी वृद्धि कर दी गई उसका क्या कारण है? क्या इसका निर्यात पर प्रभाव पड़ेगा इसका स्पष्टीकरण देंगे तो अच्छा होगा।

कोयर के बारे में उन्होंने बताया कि पहले तो उन्होंने ड्यूटी एकदम 10 परसेंट 'एड्वेलोरम' लगा दी "कोयर एंड कोयर मैनुफैक्चर" पर। बाद में समझ में आया कि इसमें परिवर्तन करना आवश्यक है। मैं प्रार्थना करूंगा हमारी सरकार कोयर के रौ प्रोडक्ट को बाहर न जाने दे जैसे काटन वेस्ट के लिये किया है। मुझे समझ में नहीं आता आप किस दिशा में जाना चाहते हैं। काटन वेस्ट बाहर वाले इसलिये ले जाना चाहते हैं कि वे उससे कुछ चीजों का निर्माण करें और निर्यात करें। भारत में हम कहते हैं बेकारी है। भारत में रौ प्रोडक्ट है, भारत में काटन वेस्ट का उपयोग दरिया बनाने के लिये और अन्य कामों में इस्तेमाल करने की बकल भारतवासियों में है। फिर क्या कारण है हमारी सरकार काटन वेस्ट के एक्सपोर्ट को प्रमोशन देने के लिये जो पहले ड्यूटी थी उसको भी कम करके उसका ज्यादा निर्यात करना चाहती है? उसको यही रहने देकर हमारे यहाँ जो दरिया और चटाइया इत्यादि निर्माण करने वाले लोग हैं उनके साथ लेन-देन क्यों नहीं करें और उन वस्तुओं का एक्सपोर्ट करें? हमारी सरकार की नीति कुछ हमारी समझ में आई नहीं।

उपसभाध्यक्ष महोदय, आपने बोलने के लिये पांच मिनट का जो समय दिया उसके लिये धन्यवाद देकर मैं माननीय मंत्री जी से चाहूंगा कि वे इन सारी बातों के संबंध में स्पष्टीकरण दें।