

LOK SABHA

Friday, September 11, 1964/Bhadra 20,
1886 (Saka).

The Lok Sabha met at Eleven of the
Clock.

[MR. SPEAKER in the Chair].

ORAL ANSWERS TO QUESTIONS

Jute Mills Industry

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- *117. { Shri Rameshwar Tantia:
Shri Mohan Swarup:
Shri Dhaon:
Shri B. P. Yadava:
Shri Bishanchander Seth:
Shri D. D. Mantri:

Will the Minister of Commerce
be pleased to state:

(a) whether it is a fact that Gov-
ernment have initiated a new scheme
to modernize the jute mill industry in
the country; and

(b) if so, the broad features of this
scheme?

The Deputy Minister in the Minis-
try of Commerce (Shri S. V. Rama-
swamy): (a) and (b). A statement
is laid on the Table of the House.

Statement

With a view to enable the Jute
Industry to obtain its requirements of
machinery on a priority basis to
achieve increased production it was
decided early in 1963 to permit import
of such machinery to the extent they
are not available indigenously within
a reasonable period of delivery. Im-
1014(D) L.S.D.—1.

port of captive power-generating sets
for own consumption in jute mills is
also allowed under this scheme subject
to usual clearances.

Such of the jute mills as are able to
arrange for a credit with a foreign
supplier for the import of spinning,
preparatory and post-spinning
machinery are given import licences
for import of such machinery subject
to screening from indigenous angle.
The import licences permit remittance
of the value of the machinery in two
equal annual instalments or four half-
yearly instalments as may be desired,
the first instalment being payable
after completion of the installation of
machinery. If required, an initial pay-
ment to the extent of 20 per cent will
also be permitted on order and on
shipment of the machinery. Interest
may be paid at a rate not exceeding
6 per cent on outstanding amounts
and this will qualify for exemption
from income tax. If interest exceeds
6 per cent the entire amount of in-
terest will be subject to tax. The
applicant mills are required to under-
take to execute a bond to effect addi-
tional exports to cover the value of
each remittance by additional exports
before the payment falls due.

Shri Rameshwar Tantia: What is
the percentage of jute mills which
were modernised by the finance of
NIDC and what are the features
of the new scheme outlined by the
Government?

Shri S. V. Ramaswamy: I cannot
give the percentage. The spinning
section has been modernised and we
are trying to modernise the weaving
section.

Shri Rameshwar Tantia: My ques-
tion was this. My question was about
the nature of the machinery which

will help modernisation of mills which are not yet modernised.

The Minister of Commerce (Shri Manubhai Shah): The point was that the Estimates Committee of Parliament had made an observation that the functioning of the NIDC as far as rehabilitation is concerned could well be looked, after by the IFC. There were two sets of opinion on that and we yielded to the opinion of the Estimates Committee. Therefore, we have transferred the work of rehabilitation now from NIDC to IFC.

Shri Rameshwar Tanti: What were the total loans given to the jute mills and was there any bad debt in them?

Shri Manubhai Shah: Not a single bad debt. Thanks to the NIDC 85 per cent of the spinning sector has been modernised.

श्री द्वारका दास बंशी : पटसन मिल उद्योग की तरफ से कितनी मशीनें मॉडरनाइजेशन के लिए आई हैं और इस मॉडरनाइजेशन के लिए कितनी रकम निर्धारित की गई है ?

श्री मनुभाई शाह : मैं ने बतलाया कि एन० आई० डी० सी० के जिम्मे यह रुपया बांटने का काम था और कोई 14-15 करोड़ रुपया हम ने उन्हें इस के लिए प्रोवाइड कर दिया है ।

Shri Bhagwat Jha Asad: May I know whether it has been assessed as to how far the facilities given would help them in their capacity to compete in the international market?

Shri S. V. Ramaswamy: It is for this purpose that we are trying to modernise.

Shri Bhagwat Jha Asad: I know that purpose. But has it been assessed or not? What is the answer?

Shri Manubhai Shah: Modernisation has helped tremendously in this.

The House will be glad to know that in the Third Year of the Third Plan the jute industry has fulfilled the target of production and exports. Last year's exports were Rs. 157 crores and it is higher than the Third Plan target for the fifth year. The internal production was 13.34 lakh tons, a record in our history.

Dr. L. M. Singhvi: May I know whether there is any programme drawn up for the production of modern machinery for jute mills in the country and if so what is the outlay on capital for such a programme whereby and what would be the time schedule?

Shri Manubhai Shah: The jute mill industry in the spinning section makes all the machinery in the middle sections; with regard to drawing and furnishing, eighty per cent is done here. In respect of looms we are exporting looms. Last year the production of the machinery was valued at 3.89 crores which again was twice as much as the previous year. Only a few types of specialised machines are to be imported and the rest are all produced here.

श्री यशपाल सिंह : क्या सरकार के पास कोई इस तरह का हिस ब है कि इस प्राधुनिकीकरण की योजना के लागू हो जाने से कितनी विलेज लेबर बेकार हो जायेगी ?

श्री मनुभाई शाह : विलेज लेबर जो आप की बिहार उत्तर प्रदेश, और उड़ीसा की है, वह सारी कलकत्ते की जूट मिल में जाती है ।

Dr. Ranen Sen: One of the difficulties of the jute mill owners was they had to go in for diversification of the product. Now that the modernisation question is being dealt with and they are being given import licences, is there any scheme so that the industry may diversify its products?

Shri Manubhai Shah: The whole approach of industry and of Government, as the hon. Member rightly

pointed out, was one of diversification. A new sector called the carpet backing cloth was introduced in the Third Plan. Previously our traditional product was hessian and sackings. For the carpet backing, there is what is called a broad loom. Today we have it in much larger numbers than our competitors and the industry has shown this performance. Another new line is being taken up called plastic-lined hessian cloth and sackings. It has also shown a great potentiality. Last year, in what is called self-financing scheme, we gave Rs. 9 crores worth of foreign exchange to this industry to diversify.

Shri Ramanathan Chettiar: What is the total amount given to NIDC., in this industry for modernisation and since the IFC's taking over, what is the amount given by the IFC?

Shri Manubhai Shah: Frankly speaking, I am thoroughly unhappy on the IFC taking over this work. But we have no choice. When a superior body says that it has to be transferred, we are taking a trial. The NIDC gave Rs. 14 crores. If the new system does not work, we have to request the Estimates Committee and others to revise their view and entrust this work back to the NIDC.

श्री काशीराम गुप्त : सरकार या एन० आई० डी० सी० की सहायता के बिना स्वयं देने ही रुपये से जो जूट मिलें आर्गेनाइज्ड हुई हैं और जो आगे होने वाली हैं ऐसी मिलें हैं अथवा नहीं ?

श्री मनुभाई शाह : ऐसी मिलें बहुत कम हैं क्योंकि पैसे की काफ़ी तंगी पड़ती है। इंडस्ट्रियलाइजेशन के बारे में कैपिटल फोरयेसन नहीं हो सकता है जब तक कि सरकार और सरकार के मातहत चलती हुई यूनिटीज लोन न दे।

Shri Daji: What is the total estimated loan required by the NIDC for this modernisation and how much will be contributed by the mills themselves?

Shri Manubhai Shah: The loan requirement, if we have to modernise the whole jute industry plus expansion, will be about Rs. 65 crores, but, for the present, we are only trying to get Rs. 20 crores.

Shri Daji: My question is how much will be contributed by the mills and how much by the NIDC out of Rs. 65 crores.

Shri Manubhai Shah: The general ratio which is kept is half and half. For any loan we give, we expect them to have a matching contribution.

Shri P. G. Sen: How far is the scheme for modernisation of the mills taken outside Calcutta?

Shri Manubhai Shah: Two mills in Kanpur, one in Andhra Pradesh and one, I think, in Bihar.

New Railway Zone in South

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- *118. { **Shri Ramanathan Chettiar:**
Shri D. C. Sharma:
Shri Surendra Pal Singh:
Shri Yashpal Singh:
Shri Vishram Prasad:
Shri P. Venkatasubbalah:
Shri Vishwa Nath Pandey:
Shri Kolla Venkalah:
Shri D. D. Mantri:
Shri Kajrolkar:

Will the Minister of Railways be pleased to state:

(a) whether the Railway Board have decided to set up a new zone in the South with headquarters at Secunderabad;

(b) if so, when;

(c) the areas which would be covered by this new zone; and

(d) how far it is likely to speed up the efficiency in the movement of traffic?

The Minister of State in the Ministry of Railways (Dr. Ram Subhag Singh): (a) No; yet. The matter