

growth of both authorised and unauthorised powerlooms which produce some of the varieties reserved for the handloom sector. This industry is also affected from time to time by fluctuations in the prices of yarn particularly Cotton Yarn, and of dyes and chemicals.

Government have taken a number of measures to develop the handloom industry and its weavers. 21 Intensive Development and 21 Export Production Projects have been set up under the handloom development programme. In these projects, the implementing agency, usually State Handloom Development Corporation, makes arrangements for the supply of inputs and credit, and for under-writing the marketing of finished goods of the weavers covered by the Project. In addition, a massive programme for revitalisation and restoration of working of dormant co-operative Societies, besides formation of new ones has been launched. As many as 1,00,000 weavers have been brought in to the Coop. fold in 1976-77, and it is proposed to bring 4,00,000 weavers in Cooperatives during 1977-78. Share capital assistance to the Apex Marketing Organisations for strengthening the infra-structure of marketing channels and for opening of new showrooms and retail outlets have been provided in the current years budget for the development of handloom programme. Centres for pre-loom and post-loom processing are also being set up in the country to improve the strength and look of the handloom fabrics.

A scheme of production of Janata Cloth has been under implementation since October 1976 and a target of 100 million metres per annum to be reached by March, 1978 has been fixed for this sector for the benefit of the handloom weavers.

Government is also having a constant dialogue with the representatives of textile industry, N.T.C., Co-operative Spinning Mills, etc. in order to

contain the prices of essential raw materials required by the handloom industry.

Arrangements have been evolved in consultation with the State Governments and the industry for State Apex Organisations to lift yarn directly from the mills in bulk, at ex-mill rates. This would give some relief in case of increase in open market prices of yarn, and/or difficulties of availability.

Organised Credit for handloom weavers has to be secured either through the R.B.I. Scheme of handloom finance, in respect of Co-operative Societies of handloom weavers, or through Commercial Banks, for weavers outside the co-operative fold. The volume of R.B.I. Credit has been stepped up from Rs. 20 crores in 1976-77 to Rs. 40 crores in the current year, and is proposed to be further increased. Commercial Bank lending is also being stepped up by linking weavers with the State Handloom Development Corporations in increasing measure.

The provision for the above programmes in the Central Plan, has been doubled from Rs. 10 crores in 1976-77 to Rs. 20 crores in 1977-78.

Take over of Jute Industry facing crisis in West Bengal

2041. SHRI SHYAM SUNDER GUPTA: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government are aware that Jute Industry in West Bengal has been facing crisis;

(b) whether production of Jute was not satisfactory during the last 6 months and if so, the reasons therefor; and

(c) whether Government propose to take over the Jute Industry in view of the crisis in that industry and if not, the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI GEORGE FERNANDES):

(a) Government is aware that Jute Industry in West Bengal has been passing through difficult times.

(b) During the 6 months April—September 1977, the production of jute goods averaged 93.5 thousand tonnes per month as against the average production of 92.6 thousand tonnes per month during the corresponding period of 1976.

(c) There is no proposal at present to take over the jute industry and efforts are being made to solve the problems facing the industry.

Abandonment of Cotton Monopoly Purchase Scheme by Maharashtra Government

2042. **SHRIMATI PARVATHI KRISHNAN:** Will the Minister of INDUSTRY be pleased to state:

(a) whether the Maharashtra State Government has abandoned the cotton monopoly purchase scheme;

(b) if so, whether it is because of the failure of the Union Government to extend any financial help to the State Government for the continuance of the scheme, if so, the details thereof;

(c) whether Government are aware that the cotton growers in the State have been observing demonstration since then demanding the re-introduction of the scheme; and

(d) if so, the details and Union Government's reaction thereto?

THE MINISTER OF INDUSTRY (SHRI GEORGE FERNANDES):

(a) The Maharashtra Government have suspended the scheme for monopoly procurement of cotton from 17th August, 1977 to 30th June, 1978.

(b) The Reserve Bank of India did not agree to extend financial assistance to the cotton monopoly procurement scheme unless its monopoly character was given up.

(c) and (d). Government is not aware of any demonstrations by cotton growers of Maharashtra for re-introduction of the scheme.

Loss of Textile Mills under National Textile Corporation in Madhya Pradesh

2043. **SHRIMATI PARVATHI KRISHNAN:** Will the Minister of INDUSTRY be pleased to state:

(a) whether seven textile mills under National Textile Corporation in Madhya Pradesh have been incurring huge losses;

(b) if so the month-wise profit/loss of these companies during the current year;

(c) whether Government's attention has been drawn to the allegation that this heavy loss is due to the mismanagement and wide-spread corruption in the purchase of stores and sale of cloth and yarn;

(b) if so, whether Government have made any investigation into these allegations; and

(c) if so, the details thereof and the action being taken against the culprits?

THE MINISTER OF INDUSTRY (SHRI GEORGE FERNANDES):

(a) and (b). Losses suffered by these mills during the current year month-wise are as under:—

Month	Loss
	(Rs. in lakhs)
April, 1977	62.54
May, 1977	64.18
June, 1977	52.19
July, 1977	38.62
August, 1977	37.58
September, 1977	41.82