

the Table the Constitution (Scheduled Castes) Orders (Amendment) Bill, 1990, as passed by Rajya Sabha.

12.45 hrs.

BUSINESS OF THE HOUSE

[English]

THE DEPUTY MINISTER IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (CH. JAGDEEP DHANKHAR): With your permission, Sir, I rise to announce that Government Business in this House during the week commencing Monday, the 14th May, 1990 will consist of:—

1. Consideration of any item of Government Business carried over from today's Order Paper.
2. Discussion and Voting on the Demands for Grants under the control of Ministry of:—
  - (a) Labour
  - (b) Welfare
3. Submission to the Vote of the House, the outstanding Demands for Grants (General) 1990-91
4. Consideration and passing:—
  - (a) The Finance Bill, 1990.
  - (b) The Gold (Control) Repeal Bill, 1990.
  - (c) The Union Duties of Excise (Distribution) Amendment Bill, 1990.
  - (d) The Additional Duties of Ex-

cise (Goods of Special Importance) Amendment Bill, 1990.

PROF P. J. KURIEN (Mavelikara): Sir, with your permission only I would like to say that the Speaker was kind enough to give a Ruling that those objectionable remarks will be expunged. I would only request you that it should be informed to the press that none of those remarks should appear in the press.

MR. DEPUTY SPEAKER: That is as per the rules. That goes without saying.

12.47 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

**Glut in the Cotton Market Resulting in Heavy Losses to the Cotton Growers**

[English]

SHRI KADAMBUR M.R. JANARDHANAN (Tirunelveli): I call the attention of the Minister of Textiles to the following matter of urgent public importance and request that he may make a statement thereon:—

"Glut in the cotton market and consequent steep fall in the prices of cotton resulting in heavy losses to the cotton growers and the steps taken by the Government in regard thereto."

THE MINISTER OF TEXTILES AND MINISTER OF FOOD PROCESSING INDUSTRIES (SHRI SHARAD YADAV): The production of raw cotton during the current cotton season (September, 1989-August, 1990) has been estimated at the last meeting of the Cotton Advisory Board held on 22.3.1990 at an all time record level of the kapas equivalent of 122 lakh bales. Cotton growers have brought a little over 120 lakh

[Sh. Sharad Yadav]

bales of cotton to the market by 7.5.1990. This compares with arrivals of about 100 lakh bales during the corresponding period of the previous cotton year (1988-1989). Despite this large volume of production and sale in the market, kapas prices for most varieties have remained near about last year's level for most of the season and currently prices of the main varieties are ruling 13% to 28% above the minimum support price. It should be stressed that the minimum price itself is about Rs. 70 to Rs. 90 per quintal higher than in the last year for different varieties. There has been no steep fall in general in kapas prices, and the current prices for FAQ are close to prices in the mid-season.

Government has taken several measures to ensure remunerative prices to cotton growers despite bumper production this year. The main measures taken by the Government in this regard are as follows:—

- (i) Asking the CCI to step up purchases particularly of varieties of kapas whose prices approach the minimum support level (11.77 lakh bales purchased upto 7.5.90 this year as against 5.41 lakh bales in the corresponding period last year).
- (ii) Enhancement of export quota from 4.35 lakh bales in November, 1989 to 13.85 lakh bales by 7.5.1990; as against this, a quota of only 2 lakh bales was released last year.
- (iii) Removal of the selective credit control.
- (iv) Reduction of minimum export price in order to improve com-

petitiveness of Indian cotton in international markets.

- (v) Release of the increased export quota in favour of Cotton Corporation of India and State Co-operative Federations only so as to ensure that these agencies could sustain purchases at good prices from domestic growers, thus conveying the benefit of higher international prices to the farmers rather than to the traders.

The Success of these measures can be seen from the fact that despite an all-time record bumper crop there has been virtually no need for price support operations this year. Cotton growers were thus able to sell their produce at good prices in the current season. In contrast, during 1985-86, when the crop was only 107 lakh bales CCI had to procure 12.5 lakh bales at the minimum support price.

It may also be mentioned that while the production has increased, domestic consumption has also increased. As a result, in case the export quota is fully utilised the closing balance at the end of the season is estimated to be only about 20 lakh bales as against 22 lakh bales at the end of last season. While ensuring remunerative return to the farmer, the interests of the domestic industry, particularly, the decentralised sectors of handlooms and powerlooms have also to be kept in view. In fact, some Honourable Members had even suggested banning cotton exports for this reason. However, the Government has taken a balanced approach keeping in view, the interest of the growers as well as consumers. Thus, the cotton situation has been handled extremely carefully and successfully this year and timely and effective interventions have been made by the Government in order to ensure this.

SHRI KADAMBUR M.R. JANARDHANAN (Tirunelveli): Mr. Deputy Speaker, Sir, I have read the statement given by the hon. Textiles Minister. I am sorry to say that this new Government has allowed an export of 12.5 lakh bales to 14 lakh bales. Never in the Indian history, such an huge quantity has been exported. I give some details as to whether the growers have got good prices etc. Before I start the Calling Attention on this matter, I beg to submit to the august House that when the Father of the Nation Mahatma Gandhi started the 'Quit India Movement' he gave us the soft material of cotton in our hands and *thakli* and asked us to drive out the British from the country. This new Government is taking shelter under the support price. Now, cotton, the agricultural raw material is used cent per cent for industrial purposes. So, we should have a separate criteria for the support price. We should not have support price for cotton like paddy, wheat and pulses because this is a raw material. Our country is a cotton country and this raw material is used cent per cent in industry. We must see the yarn price corresponding to the quality of cotton. When Gandhiji was alive, cotton seed was used as a fuel. But now you are taking it as addible oil. There is a vast evolution in the cotton industry. Taking all these things into consideration, I request the hon. Minister to have a separate criteria for fixing the support price of cotton. You should not take it as an ordinary agricultural commodity. Unless and until you have a separate criteria for fixing the support price of cotton, the price which you fix now, at Rs. 640 or Rs. 540 according to the quality, will not be meaningful and it will not fetch any purpose for the customers. I quote from the statement:

"The cotton price has not gone down."

MR. DEPUTY SPEAKER: Mr. Janardhanan, for the benefit of all the Members in the House I would like to read this. If you follow this thing it will not be only one call-

attention motion, but more calling-attention motions can also be taken up in the House. The pertinent portion in rule 197 is:

"There shall be no debate on such statement at the time it is made but each member in whose name the item stands in the list of business may, with the permission of the Speaker, ask a classificatory question and the Minister shall reply at the end to all such questions."

If you are interested in having more matters discussed on the floor of the House under calling-attention motion, it is better to follow the rules which are laid down.

Now you called the attention of the Minister to this particular matter. He has made the statement. If there is any ambiguity in the statement, you can ask for the clarification. It will help you, can ask for the clarification. It will help you, it will help other Members also and more matters can be taken up. May I request you to please follow this rule?

SHRI KADAMBUR M.R. JANARDHANAN: First of all, since everything goes under the pretext of support price, I explain what should the support price criteria for cotton. I am coming to the pertinent point. The reply given to my question from the Ministry is this. I asked for the figures from 1987-88 to 1989-90. The cotton price per kg. and the corresponding yarn price has been given by the Ministry. In their reply, they have also said that their interest is for the powerloom and handloom weavers also. So, the price of cotton per kg. in 1987 Rs. 12.80. In 1988, it was Rs. 17.81; in 1989, it was Rs. 16.99. Today it is Rs. 14.65. (*Interruptions*)

So, according to the reply given by the Ministry to my question, the price of 20s cotton per kg. today is Rs. 14.6. Correspondingly, the 20s yarn rate per kg., in 1987 was

[Sh. Kadambur M.R. Janardhanan]

Rs. 22.69 and the price of cotton was Rs. 12.80. In 1988, the yarn rate was Rs. 32.60 and the price of cotton was Rs. 17.81. In 1989, the yarn rate was Rs. 35.68 when the cotton price was Rs. 16.99. Today the yarn rate is Rs. 39.65—the highest in the period of 4 years. But the cotton price is Rs. 14.65. Is it not lower when compared to the previous seasons? Has the benefit of export of so much quantity of cotton reached the poor cotton growers?

I am giving some examples. Since the Deputy-Speaker has given some guidelines, I want to follow those guidelines. The Minister has stated that for most of the season, the price of cotton was more or less the same. You take J-34 of Punjab cotton. Punjab has produced the largest quantity of cotton, about 48 lakhs of bales, nearly 50 percent of our production. Our total production is about 1.2 crore bales. J-34 cotton in November-December last was Rs. 5800 to Rs. 6300 per candy. In January, when the Government announced the export policy, it shot up and went up to Rs. 6700 per candy—even to Rs. 7500. But in February, it came down to Rs. 5800 to Rs. 6000 per candy. In March-April, because there was a panic that Pakistan war would come, most of the cotton growers in Punjab and Haryana had sold their cotton at throw-away price. It came down to Rs. 4800 to Rs. 5000 per candy. But your Ministry has not given this fact and it has given another sort of reply.

13.00 hrs.

I would like to read to this august House, the statement made by our hon. Deputy Prime Minister and Agriculture Minister, Shri Devi Lal.

"Let Agriculture Ministry export cotton:Devi

...Earlier, talking to cotton growers of Hissar and Sirsa districts, he expressed dissatisfaction with the Textile Ministry and the Export commissioner at Bombay for talking an inexplicably long time to clear the cotton export proposals.

The two departments, Mr. Devi Lal regretted, conspired to manipulate cotton exports so that traders netted huge profits, while farmers got only the support process given by the Cotton Corporation of India (CCI)."

This is the reply given by the Deputy Prime Minister to the press.

You have given export quota to Cotton Corporation of India because this year the crop is a bumper crop.

MR. DEPUTY SPEAKER: You will have to ask for clarification. You cannot read the speech as such. It is not a debate.

SHRI KADAMBUR M.R. JANARDHANAN: The export of 14 lakhs of bales has not brought any good to the farmers because in Tamil Nadu the price is at present is Rs. 655-700/- which was Rs. 800-850/- in January. Therefore, they are not getting the correct price.

You say there is no glut in cotton. My name is Kadambur Janardhanan and Kadambur is my village. We have got the entire jinned stock in fact from January without any movement.

Further you say that you are looking to the interests of the powerlooms and handlooms. But the current cotton yarn price is very high. Handloom weavers have come to you and represented that the price of cotton yarn is very high. Last year when Congress-I was in power, the export policy was an-

nounced only in April. As a result, though crop was less, there was speculation on cotton price and now CCI has exported J34 Punjab cotton at 142 to 160 cents per kg to the foreigners. But Indian price which is ruling is only Rs. 7,000/- per candy. What machinery have you arranged to distribute the profit earned through export, to the agriculturist? Are you going to see that the agriculturist receives the profit? CCI has exported J34 variety at Rs. 9,000/- to Rs. 10,000/- per candy. How are you going to distribute the profit of Rs. 3,000/- to the farmers?

What is the position in Maharashtra today? How many lakhs of bales were in stock? You have got hardly two months time. July is the new sowing season. The next crop is going to come. The condition of cotton growers in the country is pitiable.

Therefore, my suggestion is the CCI should be decentralised like OCI, Tamil Nadu CCI, Andhra Pradesh and CCI Karnataka etc. They must have individual cotton Body. CCI must go to the small villages.

How many CCI Officers are going to the villages and establishing contact with the agriculturists? The CCI is working as a bureaucrat. It must work in the interest of the agriculturists and the cotton growers.

Now I come to export of yarn. With these one or two sentences, I will finish my speech. Fall in the price of cotton lint at the Bombay market was reported to be mainly due to extremely limited demand from the Mills and Spinners and increased selling pressure from the stockists. Therefore, there is definitely a downward trend. There must be export of cotton and yarn keeping in mind the interests of the agriculturists in our country. Then only the growers will get good price. There must be proper coordination between the Ministry of Agriculture and the Textiles Ministry in announcing their export policy and in an-

nouncing their export price. Therefore, I would request this new Government to come forward with a new proposal for the support price of cotton as well as yarn. The year of cotton should be taken from October or September to September but it should be taken from the flowering season only. November is the flowering season of cotton. If the Government takes some other month based on the report of buréaucrats, it will be a failure. The Cotton Advisory Board's report is something and the Trade Report is another thing. The Government must take a pragmatic view. Therefore, the year of cotton should be taken into account from the flowering month. Therefore the Government must fix the support price of cotton, cotton seed, yarn on a separate identical basis. This alone will help the cotton growers. Here, I am bound to say that there is a glut in the cotton market. There is a high downward trend as far as the price of cotton is concerned. The agriculturists are getting only Rs. 600/- per quintal. If they had sold their produce three months back, they would have got Rs. 650/- to Rs. 950/- per quintal. Therefore, I would expect a proper reply from the hon. Minister.

[*Translation*]

SHRI BANWARILAL PUROHIT (Nagpur): Mr. Deputy Speaker, Sir, in conformity with your rulings, through you, I would like to bring one thing to the notice of the hon. Minister. If we look at the present situation, we will find that thousands of weavers are working in Nagpur's textile industry. The condition of the handloom weavers is very pathetic, they don't get yarn in time, they don't have any money with them, their societies are almost bankrupt. They have to regularly face loss. I would also like to draw your attention towards the pitiable conditions of the poorer people. We receive many representations from the handloom industry. If we think about the big mills, we find that the conditions of the cotton-based textile mills

[Sh. Banwarilal Purohit]

are pretty bad. You must be receiving representations about the closure of mills in many areas. At least the Government should nationalise such mills or set up workers' cooperative or at least ask the state governments to take over the mills. Surely there is some loophole in this policy because the weavers in the handloom sector are on the verge of starvation, the powerloom sector is facing colossal loss and the textile mills are facing bankruptcy due to continuous loss. By gradually destroying these sectors, the manufacturers of man-made fibre like Shri Dhirubhai Ambani have become millionaires and billionaires while the majority of our weavers have become victims of poverty starvation. It is in this context that we have to think about our textile industry. With reference to the matter under discussion I want to say that we talk a lot about farmers welfare and providing them higher remunerative prices. In response to an earlier question, the hon. Deputy Prime Minister said that the Government would give the status of an industry to agriculture and that the farmers would get benefits at par with the industry, that is, they would get interest on their land too. Upon further discussion, he even said that remuneration would be given to the farmers to compensate for the average two and a half hour time spent by their womenfolk in taking their food to the fields and that the cost price to cover the production costs of cotton would also be given but unfortunately these have proved to be incorrect. The farmers suffer as a result. If you look at the previous figures, you will find that they never got the reasonable price, they deserved. The first mistake committed by the Government was that it did not make the correct estimates of crop while formulating the export policy in this regard. In this regard we should have the crop estimate of the whole country by the first or second week of November and during this period by making an overall estimate. The Government should fix the export quota. This helps in stabilizing

the market. It is only when the people raise a hullabaloo that you fix the export quota in the months of March, April or May. Meanwhile, the farmer is left with no option but to sell off his produce to the traders at a low price. The traders make a huge profit out of it. Despite all your pleadings, they would not export it through the cooperatives as they don't get much profit from it. The traders make huge profits out of the remaining bales of cotton.

In our State of Maharashtra there is a cotton Federation. There is a monopoly purchase scheme in vogue there. As such it is a very good scheme, but it is failing. There is a free trade of cotton in our neighbouring states, as a result of which all the produce is taken out of the state whenever there is a slump in the prices. This results in huge losses to the federation. If you are not able to check smuggling from Pakistan, how can you stop smuggling of goods from one state to another? I would like to say this much that you should convene a meeting of all the State Chief Ministers. It is such a good scheme that profit of each and every paisa will go to our farmers. If you operate such a scheme throughout the country, there would be a uniform price throughout India and this will check the exploitation of farmers by the traders.

Apart from this, our federation has a large stock laying with it. Their godowns are filled to capacity. Kedar Sahib who is its Chairman had met you in this regard and he had also given a representation to the hon. Minister. He had demanded that if the present stock of cotton remains unsold, it should be carried over to next year. You had fixed a very small quota for it. Perhaps it was to the tune of 11.12 lakh bales. Out of this federation alone was given an export quota of 2.5 to 2.75 lakh bales. You have not paid due attention to the representation that they had given. I would like to tell you that it is the Farmers' Federation and not the traders'

Federation who are going to benefit from it. Only the farmers benefit from it. You should fulfil their other demand seeking permission to export minimum five lakh bales. This will directly benefit the farmers. There is some incoherence in your overall policy. You have estimated the overall production upto May at 120 crore bales. You have made a trade estimate of 130 crore bales. You should be a bit liberal in this regard keeping in mind the fact that there would be an additional production of 10 lakh bales. You should give an additional quota of 5 lakh bales to the Maharashtra Federation so as to benefit the farmers of Maharashtra. This will have an effect on the country as a whole. You should definitely consider the points raised by me.

[English]

SHRI UTTAM RATHOD (Hingoli): Sir, at the outset, I must thank the hon. Minister that he heard us last time, a month and a half back, about our grievances that we had.

Regarding the production of cotton, I would say that cotton is produced in India by dry cultivators and at the same time by people who have some protective irrigation facility. The prices are the same for the same variety throughout the country. And it is here that the cotton growers get a bad treatment. I would initially request the hon. Minister to find some way out whereby he can do justice to a dry cultivator and at the same time a cultivator who is having protective irrigation. Because the yield differs and he gets more money while the dry cultivator gets less money, they should depend on rain.

Another thing about Maharashtra to which Shri Banwarilal Purohit referred is, what is the use of giving us extension for cotton monopoly purchase scheme by a year, two years or three years. We have been requesting you all these years to please give us extension for ten years so that we can plan and go ahead. I do not know what

is the difficulty with you. Even the earlier Government did not do it. If you also cannot do it, I don't know whom we should go to. You have been telling the people that you have come to power to protect the interest of the farmers. If it is so, at least the institutions which are working for the farmer, on behalf of the farmer, should be protected and given a long life so that they can have long and short-term policy.

Regarding the export quota I have always objected to one thing. The total purchase of Maharashtra Federation, the total purchase of Gujarat Cooperatives and the total purchase of CCI—you take all the three together and see what is the quota allotted to each one. According to me, it should be proportional and there must be a ratio. If we have purchased 10 lakhs, then we will get three or four lakhs. If you have purchased less, then you will get less. But it does not happen. The CCI being your child, though it has incurred a loss of nearly Rs. 100 crores over 18 years, you want to protect it by giving more export quota. This is where we feel hurt. Are we not a part of this Government? Are we not citizens? If we are citizens then give us equal rights. Don't protect CCI only. It is because of your protection that CCI is making losses—mind you.

Where was the necessity of entering Adilabad cotton market in Andhra Pradesh when there are rich purchasers? You start one month after the arrival. I think when the prices go down, only then the CCI should enter. But I have seen in most of the markets CCI is the first organisation that plunges into it. This should not be done.

Regarding the quota I will say that I do not understand this gimmickry. First calculate what is your total requirement. You have got your Textile Department, they can tell you how many mills are on strike and how long it is likely to continue.



[Sh. Uttam Rathod]

At one stage in Bombay, with the help of the great Dr. Datta Samant who was an hon. Member here, we had a very long strike; most of the mills were closed. But you never thought of releasing that particular quota for export. Such things should not be done. What we have seen is, when you release the quota the international prices are at higher level and when actually they want to sell it the prices come down. Ultimately, I remember that all these CCI and other people had to sell it to private sellers and they made a huge profit. How did it happen? Because we could not wait for some more time to see the reaction. If a private man can take the risk, why not the Government-owned Corporation? I just want to ask that.

I have a feeling that there some mischief was played. I don't blame anybody. But you must get into it and see that something is done about it.

I would say lastly that you were really kind enough the other day when you met the cotton growers in the Deputy-Speaker's hall. I would only request you to please do some favour to the cotton growers. They are the people who are working throughout the year. They are getting nothing. That is the only cash crop they have. Prof. Ranga will tell that. I think, the State to which Prof. Ranga belongs—Andhra Pradesh—produce 13 lakh bales of the total cotton produced i.e. more than 100 lakh bales. Please take more precautions and try to help them. And wherever they may work—in cooperative sector or in federations—give them long life and all help so that they can survive. As Shri Purohit has been saying, if you can introduce monopoly purchase throughout the country, there is nothing like that. But, I doubt, it, Sir. Thank you.

MR. DEPUTY SPEAKER: Shri K.S. Rao.

PROF. N.G. RANGA (Guntur): Mr. Rao is not here. With your permission, I would like to put a question.

MR. DEPUTY SPEAKER: Prof. Rangaji, no please.

PROF. N.G. RANGA: May I know whether the Cotton Corporation of India is coming into the market in order to help the farmers in Madras and in Andhra and whether the Government would try to have a conference of all the interests concerned in order to see that their mutual interests are reconciled and the farmers are assured of remunerative prices?

MR. DEPUTY SPEAKER: This is not allowed. Shri Harish Rawat.

[Translation]

SHRI HARISH RAWAT (Almora): Mr. Deputy Speaker, Sir, the hon. Minister's statement contains nothing but a comparison with the previous year's performance of the C.C.I. although this year's position is slightly different from that of the previous year. Last year the production was less but this year the impact of bumper crop which surpassed even your own estimates has been felt in the market. Actually it is during such times that the farmers are in need of assistance from Government agencies. Certainly the CCI has failed to fulfil the expectations people had from from it. Not only this, now the C.C.I. is not able to reach the farmers through its purchase points too. Many states had appealed to you to open more purchase points in their states, but those appeals are not heard and are ignored, because the CCI is not prepared to take upon itself the expenditure that it will have to incur in the process. There is no coordination between the CCI and the various state federations who too are involved in the same work, although it is essential for them to have an effective coordination. If there is a lack of coordination, the



total support of your Ministry and the CCI would not be available to them during such times and certainly, as a result, these federations would not be able to fulfil their responsibilities.

I would like to know only two or three things from the hon. Minister. Going by the increase in the arrivals have you made sufficient arrangements to regulate their purchase or to open more purchase points? At your first meeting, did you formulate any purchase plan, keeping in mind the estimated production? It is the farmers who suffer most in the absence of any such plan because they are in hurry to get their produce to the market. In the absence of the purchaser in the market at that time, the farmer is compelled to sell off his produce at very cheap and unremunerative prices. This condition exists not only in this case but in other cases as well. I would like to insist that if you have formulated any purchase plan in this regard, the farmers should be informed about it. They should be informed about it with the help of various farmers organisation.

[English]

PROF. N.G. RANGA: Maharashtra Scheme should be examined,

[Translation]

SHRI HARISH RAWAT: You should see to it that the farmers do not suffer as a result of the fall in prices due to increased arrivals in the market. Many of our friends and the hon. Minister in his statement has talked about some federations and it was mentioned here that these federations had sought the permission of the Government to directly export which would enable these federations to protect the interests of the cotton growers in their respective regions. A lot of discussion in this regard has already taken place. I would like to know whether this

demand of theirs has been thoroughly examined because our cotton growers are today at the mercy of big mill owners? Two kinds of pressures work on the cotton corporation of India. On the one hand it has to bear the pressure of Commercial Organisations and on the other it has to help the farmers also. Thus two kinds of pressure work on it. However CCI are unable to put any pressure on the mills. Under such circumstances, the private mill owners join together and create such a situation within the scheme that the farmers are left with no option but to sell their produce at very cheap prices. My friend Shri Banwarilal Purohit had said that the mill, were running at a loss, but going by the present situation, I do not think that there would be even a single mill owner who would not endeavour out to wipe out all his previous losses. All the production and its profits are going into the hands of the mill owners when actually it is the farmer who should get the lion's share. I would insist upon you to formulate any scheme only after holding talks with the federations and the state Governments.

On the issue of exports you have said that you have already fixed the quota, but according to the information we have, the actual exports are comparatively much lower than that of the previous year despite the fixation of this quota. This will prove to be an additional burden on the CCI. In order to avoid the over burdening of CCI you should ensure that the actual export performance is in accordance with the quota fixed for the purpose.

THE MINISTER OF TEXTILES AND MINISTER OF FOOD PROCESSING INDUSTRIES (SHRI SHARAD YADAV): Mr. Deputy Speaker, Sir, I will try to give satisfactory replies to the points raised by Shri Purohit, Shri Rathore and Shri Rawat.

This year, there is record production of cotton. Our estimate is 122 lakh bales. The Agriculture Ministry says that it would be

[Sh. Sharad Yadav]

upto 105 lakh bales. But just now, some hon. Members said that the production is much more than these estimates. In this regard, we have taken a precaution that from next year, we will try to estimate the production of crops through satellite whether the production is 122 lakh bales or 130 lakh bales. It is certainly a record production. Ever since, our party came to power and I took over the charge as Minister of Textiles, efforts have been made to provide remunerative price to the farmers for their produce. We have instructed the C.C.I. that the prices should not be allowed to fall.

Just now, Shri Rawat was saying that there are short-comings in the functioning of C.C.I. I accept that it is not as effective as it should have been. Out of 13.85 lakh bales, which we have exported this year, due share has been given to Maharashtra Federation. Maharashtra produces only 1/6 of the entire cotton production of the country, but they have been allotted more quota. Regarding C.C.I., Shri Rawat said that its centres were already purchasing cotton but now we have expanded the organisation.

[English]

PROF. N.G. RANGA: Not so much in Andhra Pradesh.

[Translation]

SHRI SHARAD YADAV: Whenever I received a complaint-whether it was from Members of the ruling party or opposition-that the C.C.I. centres were not purchasing cotton, officers were immediately sent there to investigate. In Andhra Pradesh, farmers thought there will be high increase in the prices, so they blocked their goods. They even went on strike. We assured them by sending our officers that despite our financial difficulties, we will purchase cotton ac-

ording to our capacity and we have already taken steps in this direction. I was telling about C.C.I. Last year, there were 163 centres of C.C.I., but this year, 186 centres have been set up. That means, the number of centres have increased. In view of the production, we have encouraged commercial purchase. We have given 13 to 24 per cent more than the minimum support price. Even if we take the average, we have paid 20 per cent more than the prices for cotton production throughout the country. This has been done to see that the prices do not fall. The role of the C.C.I. is to keep a check on the market so that the farmers do not get low price for their produce. I accept that all centres are not working perfectly and there are short-comings. But it is our duty to make them perfect and progressive. Just now, it has been said that we have not fulfilled our export commitment. I would like to inform that 9.4 lakh bales of cotton have already been registered-that is out of 13.8 lakh bales, 9.4 lakh bales have registered and it is ready for shipment. Maharashtra Federation has done a very good job. In export, they have done more effective work than C.C.I. C.C.I. has not brought down the prices but has made commercial purchase. The record production this year is of 122 lakh bales, but in spite of that, we have fixed quotas. When Shri Janardhan was in Advisory Committee, he had stated that export should be curtailed, but today, he has raised a calling attention that the farmers are not getting remunerative prices for their produce. We have released the quota in a very scientific way this time. We have not released it at once. There was no estimate as to the total production. There was an apprehension that there will be shortage in the domestic market. It is our responsibility to provide cheap cloth to the people and also to keep a check, so that power-loom and mill sector or not capture the domestic market. Shri Purohit has rightly said that this department is suffering from many flaws. Some where the powerloom is capturing the handloom and at

other places, the mill sector is capturing powerloom. That means, there is constant conflict between the cotton-growers, handloom weavers, powerloom weavers and mill sector. When we were exporting the quota, there was continuous protest from many sections. People belonging to handloom sector submitted a memorandum that the quota should not be released and export should be curtailed so that prices can increase here. We told them that a sizeable section of the population in the country earn their livelihood through the textile industry and lot of them are cotton-growers. If the welfare of farmer is not kept in view, this industry will run in loss.

It has been said that we should adopt a uniform and fixed policy. We have decided that there will be a regular export of 5 lakh bales. There will be no variation depending upon the production. The C.C.I. purchased 11 lakh bales. This time, we have allotted quotas to the State federation and C.C.I. and not to the private traders. We have allotted the entire quota to C.C.I., Maharashtra Federation and other State Cooperative Federations. Although, at some places, where the federations are weak, they have asked for less quota. We tried to allot them according to the production. Our intention behind this was that the profit earned through exports will go to the farmers, whether it is earned by the C.C.R. by the Federations. As Shri Purohit also stated that federations are of the farmers. So the profit earned by the C.C.I. or the federations will go to the farmers. The farmers been given their shares of the profit and whatever profit remains, will be given in the next crop. In 1985-86, 12 lakh bales were bought on the minimum support price. The farmers in Andhra Pradesh committed suicide by consuming poison during that year. Shri Ranga is aware of it. We should try to prevent such a thing in future. In view of this, we have fixed this type of quota and all the profit will go to the farmer. C.C.I. and Federations have purchased in favour

of the farmers. The farmers have been given a profit of about Rs. 800 to 1000 crores. We have made the purchase in competition and didn't let their prices fall. I would like to submit that we have given a lot more than the minimum support price in all the main varieties. J-34 is 24 per cent more than the minimum support price. In Haryana and Rajasthan. J-34 is 21 per cent more and in Punjab, it is 28 per cent more than the minimum support price. In Andhra Pradesh, M.C.U-5 is 28 per cent more than the minimum support price. Other varieties are 13 per cent more than the minimum support price. It is true that these varieties have been given less price. In Karnataka upto 7.5.90, the cotton-growers have been given 26 per cent more than the minimum support price. We have made this commercial purchase in competition. Strict orders have been given that wherever, there is fall in the prices, the centres will be held responsible. I would like to inform the hon. Members that this time C.C.I. did not show any slackness. This year, they made commercial purchase in an effective way. Despite its capacity and shortcomings in the infrastructure, we have tried to ensure that prices do not fall. The hon. Members stated that 120 lakh bales have already come in the market. Price of lint is less, but the price of cotton seed is more. I share the concern of the hon. Members regarding the plight of farmers. I agree that farmers deserve something more. We have made all out efforts to provide more to the farmers.

Shri Purohit was saying that more quota should be allotted to the Maharashtra Federation. It is being said that there has been a production of 120 lakh bales. If it is so and if there will be increase in the export quota, we will leave no efforts in strengthening the Maharashtra Federation. We have received a letter from the Chief Minister and lot of people from your State have given a memorandum. We have allotted more quota in comparison to the production there. The

[Sh. Sharad Yadav]

quota which has been allotted to the Maharashtra Federation, is half of the allotted quota to C.C.I. C.C.I. operates in the entire country. If they have been given 100 per cent. the Maharashtra Federation has been given 50 per cent. We have favoured them. We will provide help to those people, who want to form voluntary organisations or co-operatives in favour of the farmers. Co-operatives strengthen democracy. It strengthens the hands of the people, who are producing on mass level and builds up their self-confidence. Mr. Deputy Speaker, Sir, I would like to thank those, who have raised this question because I also got the opportunity to give the detail about the work carried out this year. In the end, I would like to submit one more point that we face a lot of difficulties. When we favour the farmers, the handloom weavers and powerloom weavers suffer. It is necessary to work very cautiously in the textile industry. I have tried my level best to reply to the questions raised here. With these words, I thank you.

[English]

SHRI KADAMBUR M.R. JANARDHAN: Shall I ask one clarification? May I know whether the Suvini cotton of Tamil Nadu is being exported? Only Tamil Nadu and Andhra Pradesh are producing this Suvini cotton.

MR. DEPUTY SPEAKER: This is exactly what you should have asked before.

[Translation]

SHRI SHARAD YADAV: I have stated that all the States were consulted. We did whatever they wanted. You have asked a specific question about Tamil Nadu. At pres-

ent, I do not have the details. I will tell you later.

---

13.43 hrs

**BUSINESS ADVISORY COMMITTEE**

**Tenth Report**

[English]

THE DEPUTY MINISTER IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (CH. JAGDEEP DHANKHAR): On behalf of Shri Satya Pal Malik I beg to move:

"That this House do agree with the Tenth Report of the Business Advisory Committee presented to the House on the 10th May, 1990."

MR. DEPUTY SPEAKER: The question is:

"That this House do agree with the Tenth Report of the Business Advisory Committee presented to the House on the 10th May, 1990."

*The Motion was adopted.*

---

13.44 hrs.

**ADDITIONAL DUTIES OF EXCISE  
(GOODS OF SPECIAL IMPORTANCE  
AMENDMENT BILL\***

[English]

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI ANIL SHASTRI): On behalf of Prof. Madhu Dandavate I beg to move for leave to introduce a Bill further to amend the Additional Duties of