

14.58 hrs.

[English]

(ii) MINISTRY OF TEXTILES

MR. DEPUTY SPEAKER : The House will now take up discussion and voting on Demand No. 72 relating to the Ministry of Textiles for which six hours have been allotted.

Hon. Member present in the House whose cut motions to the Demands for Grants have been circulated may, if he desires to move his cut motions, send slip to the Table within 15 minutes indicating the serial numbers of the cut motions he would like to move. These cut-motions only will be treated as moved.

A list showing the serial number of cut motions moved will be put up on the Notice Board shortly. In case the Member finds any discrepancy in the list, he may kindly bring it to the notice of the officer at the Table without delay.

Motion moved :

"That the respective sums not exceeding the amounts on Revenue Account and Capital Account shown in the fourth column of the Order Paper be granted to the President, out of the Consolidated Fund of India to complete the sums necessary to defray the charges that will come in course of payment during the year ending the 31st day of March, 1989, in respect of the head of Demand entered in the second column thereof against Demand No. 72 relating to the Ministry of Textiles."

Demands for Grants for 1988-89 in respect of Ministry of Textiles Submitting to the Vote of Lok Sabha

No. of Demand	Name of Demand	Amount of Demand for Grant on Account voted by the House on 18th March 1988		Amount of Demand for Grants submitted to the vote of House	
		Revenue Rs.	Capital Rs.	Revenue Rs.	Capital Rs.
1	2	3	4	5	6
Ministry of Textiles					
72.	Ministry of Textiles	87,26,00,000	47,95,00,000	436,28,00,000	239,76,00,000

Shri G. M. Banatwalla has tabled Cut Motions to the Demand for Grant relating to the Ministry of Textiles. Does he want to move his cut Motions ?

SHRI G. M. BANATWALLA (Ponnani) : Yes, I am moving my cut Motions Nos. 1, 2, 3, 4 and 5

I beg to move :

"That the Demand under the Head Ministry of Textiles be reduced to Re. 1"

[Failure to take adequate measures to help both the powerloom and handloom weavers in the prolonged crises being faced by them. (1)]

"That the Demand under the Head Ministry of Textiles be reduced to Re. 1"

[Failure to provide adequate yarn at reasonable prices both to handloom and powerloom weavers. (2)]

"That the Demand under the Head Ministry of Textiles be reduced to Re. 1"

[Failure to set up an All India Powerlooms Corporation on the lines of the one for handlooms. (3)]

"That the Demand under the Head Ministry of Textiles be reduced to -Rs. 1"

[Discriminatory and step-motherly treatment against powerlooms in the country. (4)]

"That the Demand under the Head Ministry of Textiles be reduced by Rs 100"

[Need to revise the Textiles Policy in view of hardships being caused to all the sections of the textile industry. (5)]

15.00 hrs.

SHRI SATYAGOPAL MISRA (Tamil): Mr. Deputy-Speaker, Sir, the Demands for Grants for the Ministry of Textiles have been formulated in the context of the Textile Policy of the Government which was announced in the year 1985. Sir, during the pre-independence period, we had a very glorious history of our textile industry. But after the independence, our performance has been very bad. The Government of India had announced three times about the Textile Policy. First, it was announced in 1978, then it was revised in 1981 and again it was revised in 1985. Now, we are still continuing with this new textile policy. Sir, that we had apprehended about the new textile policy has come true. A list has been drawn up showing the number of sick mills and closed mills. Now, about 133 textile mills are closed involving about 1.76 lakh of workers.

15.02 hrs.

[SHRI N. VENKATA RATNAM : *in the Chair*]

Sir, year after year, the mills are becoming sick. I do not know how this textile policy was directed resulted in the closure of the mills. 14 mills were closed, in 1983, 16 mills were closed and in the year 1984, and in the year 1985 when the new textile policy was announced 7 mills were closed. After that, in the

year 1986, 33 textile mills were closed and in the last year, that is, in 1987, 49 mills were closed. Sir, this shows that our apprehension regarding the new textile policy has become true. Sir, what is the per capita availability of cloth in our country? In the year 1984, it was 44.52 metre per annum, in 1985, it was 14.04 metres per annum and in the year 1986, there was a marginal rise in the availability of cloth. It was 15.01 metres per capita per annum. The target of the production at the terminal year of the Seventh Plan, that is, 1989-1990, has been fixed at 16.44 metres of cloth per head. I do not know whether we will be able to reach this target figure of 16.44 metres per head or not.

Sir, what is the condition of the cotton growers in the country? Mr. Chairman, Sir, you come from cotton growing State. Sir, last year, we came to know that due to drought condition the price of cotton had gone up. But in that year, that is, last year, 20 people committed suicide in Prakasam and Guntur Districts in Andhra Pradesh. This is the reality of the situation you must understand. The cotton growers are suffering in many ways. They are not getting remunerative price for their produce and on the other hand, prices of all the other commodities required for their daily life are going up day by day. They need remunerative price for their products. The prices of all the raw materials and means of production are rising up and they are not getting the remunerative prices for their produce.

Sir, half of the people of this country go naked. This is the reality which we are facing today. In spite of Government's high sounding words in the three successive textile policies, this has become the reality.

The outstanding bank credit of the large sick textile mills has increased from Rs. 962 crores in 1985-86 to Rs. 1,118 crores in 1986-87. Banks are giving money to the textile mill owners, but year after the mills are becoming sick and there is nobody to take action. The new textile policy has given freedom to the mill-owners to close the mills. You will be surprised to know that they can close their mills at their sweet will. It is the employers who will decide whose mill has become sick and at

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their sweet will they will close their mills. This is done at the expense of the workers of our country. At the same time, the cotton growers are suffering and the consumers of our country are also suffering. Now the Government is claiming that they have done a very good job with the new textile policy and they have given the figures saying that export has gone up. That is true. But to what extent it has gone up? This year's estimate of our exports is about Rs. 300 crores. Can we compare it with other countries? What about China? Their export of textile goods is Rs. 12000 crores per year. Taiwan is exporting about Rs. 10,000 crores worth of textile goods, whereas ours is only Rs. 3000 crores, and we are taking credit that we are exporting many things. Though the Government have a textile policy at their hands, they always go on with *ad hoc* announcements. That has become their habit.

Sir, the cotton export was permitted. Then, the price went up and then what happened in the year 1987? The Government suspended the export of cotton. Now they are thinking of importing cotton from other countries. We are going on in this way. Though we have a permanent export policy, yet we go on an *ad hoc* basis. The Government have no long-term perspective, no long-term plan for cotton growers, rather for the textile industry itself.

Regarding smuggling, about 2000 million metres of textiles valued at Rs. 3000 crores is estimated to be smuggled into India every year, and the Government is sleeping. Our production price is not compatible with that of the other producers in the international market. The price of terryeot having a mix of 67 per cent manmade fibre and 33 per cent of cotton of comparable quality available in Thailand is Rs. 12 a metre while in India it is available for Rs. 24 a metre. So, the production price is also very high in our country. The profit is going to the mill-owners and they are taking advantage of the situation. In this year's Budget, the Government has laid a greater emphasis on polyester and other man-made fibre which has seriously affected our traditional cotton industry, traditional handloom and powerloom industry. The concessions which the Government propose to

give to the man-made fibres or other polyesters would not be passed on to the consumers. That would go to the benefit of some textile mill-owners like the Reliance and Bombay Dyeing. Textile magnets will enjoy the benefits and the consumers and the cotton industry will suffer—the cottage industry will suffer; and the handloom and the powerloom sector will suffer. That is how the Government is functioning.

What is happening to the textile industry after independence. The mill-owners have got their profit but they had not reinvested a part of their profit for the modernisation of mills. That is why, the mills have become sick. Nobody looked after these things after independence. The Government at the Centre had done nothing and at this moment, they have allowed the mill-owners to close down the sick mills and retrench a large number of workers.

During the current year, our cotton growers have done a good job. Earlier we were a deficit country in respect of cotton. Now we have some surplus production. But the benefit is not going to the growers, nor to the consumers of our country. Government is formulating a policy to benefit the big mill-owners and to earn some foreign exchange through some exports. The only basic thing they are doing is to export some textile goods and earn some foreign exchange and the benefit will go to some mill-owners. The worst sufferers will be the workers and the country as a whole. Therefore, a comprehensive, integrated and realistic policy is needed. Every time we are giving our suggestion. It is the mill-owners who have destroyed the whole industry. Therefore, wholesale nationalisation only can save the workers and also the industry. But instead of going in that direction, the Government is going in the opposite. They are surrendering to the big mill-owners and textile magnets.

What is happening to the cheap variety of cloth? Sir, you know that production of cheap variety of cloth is not very much profitable. The profit is less in that area. So, that has been shifted to the handloom sector. The mill-owners do not have to produce any cheap cloth because they are allowed to earn more profit. Where there is less profit involved, that will go to hand-

loom and the poor weavers will have to do that, NTC used to produce some variety of cheap cloth. They are also relieved from that production and the entire burden has been shifted from the mill-owners and from the public sector to the poor handloom weavers. They have to produce cheaper variety of cloth. What will the mill-owners do? They will produce high quality cloth. The price of high quality cloth will be also higher. So, they are allowed to have more profits at the cost of the handloom weavers in our country.

Much was talked about the modernisation fund. But what has been done to that? The Textile Modernisation Fund was set up in August, 1986 in which Rs. 750 crores is to be utilised over a period of five years. But at present actual disbursement is Rs. 122.30 crores. That means only a meagre amount has been disbursed so far. You know that delays which take place in making funds available to the sick mills and another dimension to the difficulties. Out of the total sanctioned amount, only a fraction is actually made available. As a result, the modernisation gets stalled and in the meantime, the prices of imported machinery go up.

The Government is giving duty cut to import sophisticated machinery from other countries and our indigenous manufacturing units are becoming sick. The employees working in our textile industry are being retrenched and, at the same time, the jobs of workers working in the indigenous manufacturing units which manufactured machine necessary for textile industry or threatened and the Government has allowed that process.

The duty cut import is being given to sophisticated machines for the benefit of a very selected number of mill-owners. This has become the policy of the Government.

Jute is our traditional industry. We have earned large foreign exchange through the years. Here you see the same thing of the fate of the cotton and jute growers. About 4 million agricultural families are affected by the policy of the Government of India. The export of jute is going down and down. In the year, 1960-61, it was

776.5 thousand tonnes and today it is only 224.6 thousand tonnes. If you calculate in rupees after the announcement of new textile policy, it has also come down. In the year 1984-85 it was Rs. 333 crores. In the successive year, 1985-86, it came down to Rs. 270 crores. Last year, (1986-87) it further came down to Rs. 230 crores. Most of the jute mills are lying idle and closed. 2.5 million industrial workers are seriously affected. They are out of job. The policy of the Government has created this situation.

In this connection, what happened is one day our Prime Minister went to West Bengal in September, 1986 and announced a package of Rs. 1,007 crores which includes Rs. 150 crores for jute modernisation fund.

This is not modernisation fund. This is money lending fund. The Government is lending money to some jute mill-owners and money is given at an interest of 11.5% up to Rs. 6 crores and when it is more than Rs. 6 crores, the interest rate is normal i.e. it is the interest rate which exists as at present—14 per cent. But what is the performance from September 1986 upto now? In these 19 months, six jute mills have received only Rs. 21.89 crores out of the fund of Rs. 150 crores. A sum of Rs. 150 crores has been allotted. To exhaust this money, how much time would be needed? In the course of 19 months, their performance is this. How much time is needed to exhaust the whole amount?

Another programme was also announced. That was about the Special Jute Development Fund consisting of Rs. 100 crores. A period of 19 months had already gone. It is almost two years now. In these two years, they have chalked out a plan on paper and only a sum of Rs. 8 crores has been disbursed so far out of the fund of Rs. 100 crores. The fund of Rs. six crores has been disbursed to the Ministry of Agriculture. The JCI has received Rs. two crores. I do not know when the Ministry of Agriculture and the JCI will spend this whole money. The JCI is not going to spend this money before the period of September-October. So, the performance in two years is only to the tune of Rs. 8 crores out of the allocated

[Shri Satyagopal Misra]

fund of Rs. 100 crores. But the tall talks will go on like this. Sir, you know that empty vessels always make much noise. Like that, the Government are going on doing things. For Jute industry, diversification is a must to produce some non-traditional items which may suit today's needs. There are blanket and carpets and they can be produced. These are necessary things. Therefore, we will have to shift from the traditional production to diversified products. We can produce jute blankets and carpets. There is a very good export market also. The Government is not making much efforts. They are not thinking on this project.

A lot of R and D work is necessary in jute industry as well as Textile industry. More money should be allotted for that. Modernisation in Jute industry, textile industry and silk industry does not mean purchasing some machinery and importing it and installing. That is not actually called modernisation. Modernisation is a science. We have to go in for advanced methods so that we can make ground for further development, how can we modernise our mills? How can we modernise the textile industry, jute industry and silk industry without a strong R and D using?

The New Textile Policy was announced with so much tall talks. But now that has proved that it is for the benefit of some big mill-owners. It is meant to make profits by some of the mill-owners at the cost of the crores of our handloom weavers, textile workers (Powerloom and Mills) and the consumers of our country. But that will serve no purpose. Therefore, a time has come when we can review our policy and take a long-term comprehensive policy in this regard. That is the cry of the people today. That is the crisis which exist today. I think the Government will look into the matter and come with a new comprehensive textile policy for the benefit of the cotton-growers, jute growers, for the benefit of the consumers and the industrial workers of the textile industry.

Sir, there is one more point which I would like to mention. Sir, we are suffering not from insufficient production in the

textile industry. But, we are suffering from insufficient purchasing power. Therefore, we shall have to strengthen the purchasing power of our people. The Textile Policy should be framed on the perspective of the purchasing power of our country. We must look to improve the purchasing power of our people particularly bring in the rural sector. But you know, this Government is callous to this attitude. Day after day, the purchasing power of the people in actual terms is going down because inflation and price rise are bringing down the actual purchasing power capacity of the people. Ours is a big country. We should put all the endeavours so that our people particularly residing at the rural sector can have more purchasing power so that they can purchase more textile goods. In that perspective, we shall have to look to our textile industry. Unless we improve the purchasing capacity of our people, we cannot improve our textile industry also. I think, this aspect will have to be looked into. With these words, I conclude. Thank you.

SHRI SHARAD DIGHE (Bombay North Central): Mr. Chairman, Sir, I rise to support the Demands of the Ministry of Textiles. While doing so, I would like to comment on the performance of this Ministry during the last year. If we see the performance of this Ministry or the effect of the new Textile Policy which was announced in June 1985, on certain sectors of this Textile Policy, it will have to be said that the new Textile Policy has failed. It has failed and, therefore, a serious re-assessment of the situation is called for. Unless the Government takes it very seriously and reviews this Textile Policy, it will result in less and less production and also will result in more and more closure of textile mills in the city like Bombay resulting in a large scale unemployment of the textile workers. If we test this Textile Policy on the point of production also, the production figures which are given in the performance Budget itself show that the production is also going down. The target figures for production of cloth during 1986-87 are 4,740 million square metres and the estimated production is only 3,317 million square

metres. A year thereafter, namely 1987-88, again the target is 4,660 million square metres and the production for nine months from April to December 1987 is only 2,296 million square metres. These figures also show that the production of cloth is going down in these organised textile mills and so also is the condition in the NTC mills. The figures given, as far as the NTC mills are concerned, in the quality cloth at reasonable prices to weaker sections which was one of the aims of this Textile Policy also shows that when the scheme was introduced for polyester-cotton blended for these NTC mills, the actual production of controlled cloth in 1986-87—the target was 200 million square metres out of which 155 million square metres was for cotton varieties and 18 million square metres for polyester and cotton shirting—it is only 148.11 million square metres as far as cotton variety is concerned and 15.10 million square metres as far as polyester blended shirting is concerned. Here also the production has gone down.

If we go further to the year 1987-88, the target was 175 million square metres out of which 130 million square metres for cotton variety and 18 million square metres only for polyester-cotton shirting. The actual production shows, for 9 months of 1987-88 only 43 million square metres cotton varieties and 8.2 million square metres polyester-cotton shirting variety. Therefore, applying the test of production also, it is clear that there is something wrong in this textile policy which was announced in June 1985 and a review is necessary from this point of view.

15.32 hrs.

[SHRI ZAINUL BASHER *in the Chair*].

If we see the closure of mills, the picture is still darker. Since the announcement of the Policy the closure of the number of units is increasing very fast. The figures which I have got show that in 1985, 70 units were closed making 94,997 workers unemployed. In 1986, 75 units were closed turning 1,13,237 workers out of the mills. In 1987, the figure of units closed rose to 120 and the workers who

became unemployed rose to 1,50,000; whereas in the year 1988 the units closed are 133 and the number of unemployed workers are 1,78,000. This figure also tallies with the answer given by the Minister himself on 26th February 1988 to the unstarred question No. 865 of Lok Sabha wherein he has stated that the number of units closed as on 31.12.87 is 133. This is the general position.

As far as the Bombay city is concerned, the position is horrifying. The Bradbury Mill, Mukesh Mill and Srinivas Cotton Mills were of course closed before the policy was announced. Since the policy was announced, the Modern Mill, the New Great Mill, one unit of Swan Mill are closed and the other two units of Swan Mill are on the verge of closure. Another mill by name Raghuvanshi Mill is also not making any payments to its workers; it is on the verge of closure. One more mill—Sriram Mills—which is at present utilising the unpaid bills for electricity and water charges and the dues of workers viz., gratuity, provident fund, employees' State insurance contributions, leave, etc., which amounts to Rs. 3,36,00,000. Only by using this amount somehow or the other the Mill is running; but it is on the verge of closure. In 1983 we had taken over 13 mills in Bombay where nearly 41,000 workers were on the musters. Out of 41,000 workers only 23,000 workers were taken on duty and 18,000 were not given any work. Out of that nearly 10,000 workers have reluctantly taken gratuity and gone away but still 8,000 workers are awaiting hopelessly for jobs or they being taken inside the mills. Further these mills which have been taken over have not been nationalised. We are not taking the responsibility of making any payment as far as the dues of the workers who have been retrenched are concerned. Regular suits were filed by the recognised Rashtriya Mazdoor Mill Sangh on their behalf. In the Labour Court they succeeded. They succeeded before the Division Bench of the High Court and the mills were ordered to pay their dues but our Government on behalf of NTC moved the Supreme Court and obtained a stay. It does not befit a government which champions the cause of workers to take stay in such matters and go upto the

[Shri Sharad Dighe]

last court and make the workers wait for their own dues from the mills which are taken over by the Government. Only on a technical point they have taken the stay. All these workers whom you are unable to take back on duty at least pay their dues so that they can be satisfied with that amount. From this point of view the textile policy is not making any impact. It is resulting into more and more closure of the mills and also further and further unemployment in this field.

Now in the textile policy itself we have announced that as far as the power-looms were concerned there will be compulsory registration. Now this registration has been left to the State governments. No State government has been able to register the power-looms with the result that all your figures as far as production of power-looms is concerned are not authentic at all. There are no restrictions as far as these powerlooms are concerned regarding the working conditions of the workers, their hours of work, benefit and social schemes. Nothing is there. They are freely victimised. Production is so cheaper in the powerloom sector that it is effectively competing with the composite mills. That is also one of the reasons why composite mills cannot run at profit. I am told that one report of the Reserve Bank clearly says that the profit in these composite mills is not even more than 10 per cent of the investment. Therefore, if this cost is increasing like this and we are also allowing uncontrolled smuggling and allowing uncontrolled powerloom extension without registration then there will be chaos as far as the textile industry is concerned.

We have also announced rehabilitation schemes for workers. When a unit is to be closed 75 per cent of their wages will be given for a particular period; then 50 per cent and lastly 25 per cent for a particular period as far as rehabilitation is concerned. Now the experience shows that one of the conditions for making this payment is that the appropriate Government must give permission for closure. No appropriate Government is giving permission for closure with the result that even

though the mills are closed, workers become unemployed. They cannot get any benefit of these rehabilitation schemes which we have announced and nothing has been done as far as this is concerned.

In the performance budget also, everything is silent. It merely says at page 3 :

"A rehabilitation fund was also set up during 1986-87 on the lines enunciated in June 1985 Textile Policy, for workers who might be displaced by permanent closure of non-viable textile mills."

It stops there. It does not say what is the performance, what amount has been paid up to now, in which unit it has been paid. It cannot say anything further because nothing has been done as far as the rehabilitation fund is concerned. There is a hitch and we have not been able to remove that hitch. Therefore, my submission and request to the Government is that this scheme will have to be reviewed and must be liberalised so that when the mills are closed, at least the advantage can be taken by the workers of such mills as far as rehabilitation fund is concerned. It should be more liberalised and perhaps it should be made available till the actual rehabilitation of the workers is made.

As far as the modernisation fund is concerned, the performance budget says that Rs. 750 crores were provided for five years in the year 1986-87. The figures also show that up to now only Rs. 150 crores have been disbursed for modernisation. That means, even though in five years we have to disburse Rs. 750 crores, the speed is so slow that till now—nearly two years have elapsed—only Rs. 150 crores have been actually disbursed as far as the modernisation is concerned.

The labour participation was also one of the objectives of this textile policy. I am sorry to say that even in the NTC mills, there is not a single director from the workers at the national level as well as in the subsidiary corporations of NTC. If the Government itself is not keen about the participation of the workers in our NTC

mills, then how can we implement this objective as far as the mills are concerned?

From all these points of view, my submission again is that we shall have to review this policy. Policy objectives have to be met. The textile policy should be oriented towards more and more employment. It should not result in the closure of the mills and more and more unemployment as far as the textile workers are concerned.

We have no doubt given certain concessions in this budget by way of encouragement to this sector. I will not go into the details of those concessions mentioned in paragraphs 146 to 155 of the Budget speech. But I would submit that some of these concessions are such that neither the textile mills are benefitted nor the consumers have been benefitted. The advantage has been taken only by the manufacturers of polyester fibres, namely, Reliance, Orkay and JK Industries. They would be benefitted from some of these concessions and not the mills, not the consumers. I would, therefore, urge upon the Government that our excise duty policy, taxation policy, should be so framed that cost of production of the mill would be reasonable and there would be cheaper production as far as the consumers are concerned. Mills also would not have become sick because of our policy. Of course, some of the faults are with the mill owners also. Many times, it is found, as I said, because this industry is not now profitable at all, the Reserve Bank says that the profit returns are not more than 10 per cent. Therefore, no manufacturer is interested in this industry and they are, therefore, siphoning more and more funds out of this industry to the other industries and in course of time, I am sure, that if this situation is allowed to continue, all the textile mills belonging to the private owners would close down. Therefore, we must have not only good policy and I would urge upon the Government not to have a half-hearted or haphazard policy of only taking over some mills which are about to become sick, not only nationalising only a few mills which are about to become sick but the time has come when we shall have to step in and nationalise all these mills whether

they are viable, not viable, whether they are prosperous or not so that you can have a comprehensive look at this industry. We should have good and cheaper production which the consumers can afford and at the same time the employment in this industry will also continue and the industry will go on and will have prosperous days as far as this country is concerned. From this point of view, the Textiles Ministry, I am sure, would look into this matter and have all these amends as far as their policy is concerned.

With these words, I support the Demands of this Ministry.

SHRI KADAMBUR JANARTHANAN (Tirunelveli) : Sir, I am glad to speak on this subject and I must, first of all, congratulate the Textiles Minister for bringing the cotton year from August to October, a practical thing which though very late, has been brought on time now. Whether the new textile policy according to the Treasury Bench hon. colleague is successful or not, after the new textile policy, particularly, in 1986-87 and 1987-88, the cotton farmers who form the backbone of India, have been benefitted a little bit. For the first time in the history of cotton in India; the kapas price has reached Rs. 1000 from Rs. 800 for medium staple and for extra long staple it is from Rs. 1300 to Rs. 1500. Therefore, according to the hon. colleague, whether the textile policy has been successful or not, it has brought some success to the farmers. He was telling that all cotton mills are closed. Though the textile policy was to bring down the price at a moderate rate, after the textile policy, the cloth rate has increased and accordingly, the cotton price has also increased. In the whole Press, they are yelling about 55 per cent increase in cotton which is not really a fact. We are in the Rajiv Gandhi period but we are taking our people to 'Dandi Yatra', the Gandhiji period. I request the hon. Minister to look upon the Gandhiji period. Gandhiji gave us not the sword. I was a high school student then. He gave us the 'thakli and ratnam' in our hand and not the synthetic fibres, the unhealthy competition made by the textile policy giving more concessions to the synthetic fibres which has deprived all

[Shri Kadambur Janarthanan]

the cotton and therefore, the consumption has gone down. The cotton growers are, therefore, suffering. That is why in Andhra Pradesh some farmers committed suicide and all that. We have to accept the basic fact that we are cotton growing country and the competition between the synthetic, man-made fibre, and the natural fibre, should be in such a way that the cotton growers are not made to suffer.

The hon. Member just now was mentioning about the sickness of the mills. As we know, the sickness of the mills was created by the capitalists. They made profits from the forties till seventies. After making profit as much as they could, they left the industry to run as far as it could. They did not bother, if it was going to die. That is the attitude of the millowners. There are so many mill owners like this in Andhra Pradesh as well as in Tamil Nadu and other places, who are ranking first in the matter of export. The textile policy has been a failure and to think that the remedy lies in nationalization, that is not a correct argument.

Take for instance the NTC mills. Out of the 1027 mills on the 31st March, 1987, 95 mills are in the cooperative sector and 175 mills are owned by NTC. Ninety-five mills in the cooperative sector have been built by our own money. But what about 175 NTC mills? These have not been built by the Government, these were being run initially by somebody else. They ran away and just to give employment you took over the mills and put in your money. These 175 NTC mills were built with the funds of private people, not the Government funds. These were private mills. You took them over to provide employment. According to your Annual Report, even the NTC mills have been incurring losses.

According to the figures given in the Report, we have 744 spinning mills and 283 composite mills with 26.10 million spindles installed—the highest number in the world. But we are also having problems never to be solved. We have sickness and sickness all round. Why are we having this sickness. It is because the

capacity utilization is becoming thinner and thinner day by day. If you see the capacity utilization in cotton textile industry, while in 1980-81, it was 77 per cent, in 1987-88, it has come down to 72 per cent only. Even after that, you have not cared to take steps to increase capacity utilization. That was in respect of spindles. In respect of looms, the capacity utilization in 1980-81 was 77 per cent and in 1987-88, it has come down to 61 per cent only. The capacity under-utilization has been increasing and that is one of the reasons for sickness.

To strengthen my point further regarding cotton and synthetic fibre, according to your report, the production of cotton yarn in 1986-87 was 1302 million kgs, whereas it has come down to 1000 million kgs in 1987-88. In 100% non-cotton yarn, the production in these two years was 80 million kgs and 91 million kgs respectively, that is an increase of 11 million kgs. If you see the production of cloth, according to the figures given here, in 1980-81, the production of cloth was 8351 million mtrs, out of that cotton was 5443 million mtrs. This year out of the total 9539 million mtrs, cotton is only 6146 million mtrs. In the case of synthetic fibre, it comes to nearly 3393 million mtrs in 1986-87, it was 2903 million mtrs in 1980-81. Therefore, looking to this competition between the cotton and synthetic fibre, which is going against the interest of cotton day by day, we do not know what the position would be in future. Now the cotton prices have fallen down by Rs. 1000 to Rs. 3000 within three months.

In our State after the President's Rule is declared there, the officials have asked for the power for industry. The power for industry includes the hoarding in of yarns. The checking has also been done but they did not so far come to the Ginning factory. Because of the hoarding those who were buying 10 to 12 bales for their power looms, are now buying only two bales. Therefore, naturally the consumption has gone down, and the Kapas off-take has gone down. The LRA Kapas which was sold at Rs. 1000 per quintal in Tamil Nadu, today it is being sold at Rs. 725. Therefore, I request the Hon. Minister to look to it because CCI

will come to the Tamil Nadu to buy Kapas as the cotton season is ahead.

Regarding the import of cotton, I would like to say that the Government is being pressurised to import the cotton. The Textile Committee has decided to import the cotton. But as a cotton grower, I must say that any staple of the length below 22 mm should not be imported in the interest of the cotton growers. Anything, or any staple less than 22 mm length, if imported will adversely affect the cotton growers of Maharashtra, Tamil Nadu, Andhra Pradesh, Punjab or for that matter the entire India. Therefore, I request the Minister that the agriculturists from every cotton growing State must be represented in the Cotton Advisory Board. Let there be a Cotton Board represented by the agriculturists from the Tamil Nadu, Karnataka, Andhra Pradesh, Punjab, Maharashtra and Madhya Pradesh. Wherever the cotton is produced, they should be represented in the Board.

The various Indian newspapers like Hindu are releasing articles and making lobbies to import cotton. They are pressing the Government. It is very sorry to note that they given the Sankar cotton equivalent to the California cotton. The California cotton is 1 and 1/8th whereas the Sankar is not more than an inch. In the same paper the Pakistan cotton is shown as 1 and 1/16th. This shows their poor knowledge of cotton. They are making ignorant statements in the Press. What other countries will think about us. Will they not laugh on us? This article which I just now referred was written by the E. K. Vasudevan. This is the state of affairs in the cotton industry. If this is the position then you can very well understand their practical knowledge about the yarns. Therefore, I request the Minister that this unhealthy practice of giving concession to the synthetic fibres which will deprive the cotton growers of their remunerative prices should be stopped. Mahatma Gandhiji warned us against the use of foreign cloth. If the present textile policy is followed then I am sure a time will come when we will have to ban the synthetic fibre cloth. A time will come when only cotton will be used and that time is not far away. I do

not say that the new textile policy is not good. It has got some good points also but they require modification. The defects in the policy should be rectified. My friend from the Treasury Benches said something, I do not want to take his name. The structure of the new textile policy should be reformed.

Regarding the import of Autocon machinery, I would like to say that whatever concessions were given so far since 1987 have been taken away because they have raised the prices up to the extent of 25 per cent.

16.00 hrs

Now, I would like to say a few words about the export of yarn. During the period of Shri Rajiv Gandhi, yarn produced in Tamil Nadu has found some market in Czechoslovakia, Spain and Japan. Japan is importing cotton from Rajapalayam in Tamil Nadu. The present policy of exporting yarn with the present limit should continue.

I would also like to submit that the cotton waste industry is facing a new difficulty after the Budget. As in the case of iron waste and agricultural waste, the cotton waste industry is also expected to declare 60 per cent of profit, of which 20 per cent has to be deposited as income tax. Cotton waste industry is facing a lot of difficulty because of this and I request that must be removed. FICCI and other people in the trade have also represented to the Government in this regard. I again urge the government to safeguard the cotton growers' interests. With these words, I conclude.

SHRI HAROOBHAI MEHTA (Ahmedabad) : Sir, I rise to support the Demands placed before this House by the Textiles Ministry. I do not share the pessimistic attitude shown by some members, attributing every failure in the textile industry to the New Textile Policy. Undoubtedly, the objectives of the New Textile Policy are laudable. The main objective of the policy is to put all the three sectors, viz. handloom, powerloom and the organised mill sector, on a sound footing. And the Government has persistently been follow-

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ing that policy since the pronouncement of the Policy. To ensure that the organised sector also grows equally with the powerloom sector was put on par with the organised mill sector. Unfortunately, however, despite the good intentions announced at the time of the pronouncement of the New Textile Policy, these objectives have not been fulfilled. One of the basic and main objectives of any industrial policy including the textile policy should be the protection of employment and enhancement of employment opportunities. Perhaps, this objective was greatly overlooked at the time of the pronouncement of the National Textile Policy. I would particularly want to draw the attention of the House to the following statement in the National Textile Policy in this regard :

"When a sick unit has no expectation of becoming viable in a reasonable period of time, there may be no alternative but to close the unit, provided the interests of the workers are protected."

Sir, does this really fit into our basic philosophy? The basic philosophy as enuntiated in the Directive Principles of our Constitution is to guarantee the right to work.

What do we do when a human being falls sick? Do we permit him to be killed either through some mercy-killing or by the refusal of medicines? Or do we try to restore the health of the human being? This very policy of restoring the health of a sick human being should be adopted in the case of sick textile units as well. Our policy should be to restore the health of the sick units and not to allow them to die.

Further, it is in the National Textile Policy stated that the take over by the Government of such sick units or nationalisation does not provide any solution to the problems of sickness and the Government would not, as a rule, intervene in such cases. This part of the Textile Policy is also not quite appreciable. As I pointed out, providing employment must be one of

the main objectives of any plan or policy and nationalisation as a means to protect employment potential should not be ruled out. In this connection, I beg to draw the attention of this august House to the pronouncements of Late Madam Indira Gandhi on this point. I still take Madama Gandhi's India pronouncement as beacon light for Indira. In course of her speech in Rajya Sabha to a debate on the President's Address on March 2, 1970 she says :

"I think that any proposal for nationalisation should be subjected to two tests. We should see whether it enables the public sector to occupy a key position in the economy of the country. Secondly, our approach must be realistic and practical. At any moment if any privately owned industry is operating against the national interests or is impeding social progress, we should not hesitate to take it over."

This was the principle enunciated by Madam Indira Gandhi.

In another speech—that was also in the Rajya Sabha—in course of Motion of Thanks on the President's Address on March 29, 1972 she says :

"The Government is neither averse to nor afraid of nationalisation. But nationalisation has to fit into our overall scheme of priorities with reference to the changing conditions of our economy. We shall nationalise an industry or a unit essentially to strengthen the control of the public sector over the economy. That is why 14 major banks were nationalised and later the General Insurance Companies. We shall also not hesitate to nationalise any unit or industry when there is evidence that it is being managed to the detriment of national interest."

What has happened in the Textile Industry? Sickness has penetrated into

many of the textile units. Gujarat and Maharashtra are the most affected States 50 per cent of the composite units are located in Gujarat and Maharashtra alone. As of today, 135 textile units are closed in the country. Out of these 135 units, 50 units fall in the composite sector, 27 composite units have been closed down in Gujarat alone, 16 in my city, i.e., Ahmedabad. This has affected the leading economic sectors in Ahmedabad, Baroda and Barouch. In these 27 mills which are closed down in Gujarat, about 40,000 workers were employed as on the date of the closure. Luckily for the working class of Gujarat and elsewhere, the Prime Minister Shri Rajiv Gandhi has been very sympathetic to the cause of workers. I therefore recall with great sense of gratitude the sanction accorded by the Prime Minister and the financial assistance provided by the Government of India to the Government of Gujarat in the matter of taking over of the closed textile mills—12 closed textile mills—in 1985-86.

Since then, unfortunately 16 more private textile mills have been closed down. The Gujarat Government has also taken various steps in order to ensure that the process of closure is arrested and as many textile units as possible are revived,

After the nationalisation of 12 closed textile mills, the Gujarat Government gave a package of deferment of dues in the matter of Sales Tax and electricity duty. Each unit in Ahmedabad and the rest of Gujarat has been benefited to the extent of Rs. 30 lakhs to Rs. 60 lakhs. Unfortunately, no payment has been received since 1984. In view of the land ceiling legislation the Gujarat Government had relaxed the question of sale of land at the disposal of the mills. The Government itself comes into the picture and sells the urban land, in difficulty. The proceeds of the land sold is advanced in turn to the textile mills so that they can modernise their mills and rehabilitate their workers. Looking to the long span repayments, these conditions are in the nature of quasi equity. The State Government has also stood as a guaranter in view of the losses, over-drawal in the bank account to the tune of Rs. 110 crores. The State Government has also announced certain package

of concessions in the matter of Sales Tax, Purchase Tax, Electricity dues, injection of funds for modernisation and rehabilitation and so on. In spite of this, the difficulty persists.

About 50,000 workers in Gujarat are unemployed. We see a pathetic plight of the workers in Gujarat and especially in my city. Several textile workers have committed suicide. And others are also not finding themselves happy at all. Several women from the family of workers rendered unemployed are sometimes forced to sell their honour in order to make both ends meet. Such a tragic plight which can hardly be described by any words spoken with any amount of forensic ability, has to be looked into and some way has to be found to remedy the situation. Why has this happened, despite the consistent sympathetic approach of the Government towards the textile industry, despite the humanitarian approach of the Government towards the workers; and why, despite packages after packages and concessions after concessions given to the textile industry, including those announced in the last Budget, the textile industry is not responding? We have not been able to discipline the textile magnates, the textile mill owners. In the past, throughout they have tried to derive as much benefit from the Government by way of loans in order to gain working capital in times of difficulties which, they said, they were facing. The funds were drawn from the financial institutions or banks to such an extent that textile units are mostly managed on the basis of institutional finance today. Hardly 10% or 15% finance is put in the textile mills by the managements. They have misused their position as managing directors, as management or as textile mill owners. They have siphoned off the funds derived from the Government and institutional finance to their other industries, in order to diversify them. Seeing that the textile industry is no more a source of profit to them, they have opened chemical units and other units and diversified their funds in a clandestine or even in an open manner; but the State has not been able to do anything. Why? There also, the State is helpless. The Gujarat Government has filed 16 prosecutions for the violation of Section 250 of the Industrial

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Disputes Act. The mill managements close down their units without any economic justification, and without obtaining the previous approval of the textile authorities, despite the clear provision to that effect contained in Section 25(O) of the Industrial Disputes Act. They do not even apply. Therefore, the Gujarat Government prosecuted them ; but, unfortunately, they went to the High Court and the High Court in three cases granted stay. Any 4th, 5th or 6th mill owner going to the High Court is bound to get stay, in view of the precedents set in the first three cases. This is what happens. When you are trying to implement welfare legislation, what comes in the way ? No wonder therefore, that someone says that vested interests have found a paradise in the courts. The Gujarat Government or for that matter even the Central Government will be helpless if the courts go on giving protection to the offending millowners. The mill owners who are the culprits, who are the social enemies, who close down mills without recourse to the industrial legislation, who render thousands of workers unemployed and, therefore, impose unilaterally a sentence of economic death on the workers, go scot-free on account of the shelter which they get from the High Courts. Therefore, something more is required to be done, to bring the mill managements to discipline. Many more things can be contemplated. For example, it is time to consider, for those who are concerned with Company legislation, whether it is not possible to impose an unlimited liability on the mill managements when the mills become closed down or when they become sick. They take advantage of the limited liability. Even when the company is sick, the economy of the family of its management is not sick. They set up purchasing agents and selling agents belonging to their own kinsmen's firms. They always gain at the cost of the health of the units which they are supposed to manage. Therefore, a sort of unlimited liability should be contemplated against the managements whose units happen to be sick, or who do not respond to economic health programmes.

Similarly, it may be contemplated whether a provision may not be introduced in the Companies Act, so that we can enforce involuntary merger of healthy textile units with sick textile units. In fact, in Ahmedabad some units had so taken over. Arvind Mills has taken over Lakshmi Mills; and luckily, both the mills, viz. the parent unit and the foster unit both are working very well today. But the Government can well think of enforcing involuntary merger or amalgamation of companies.

In any case, you should immediately come forward with a proposal to ban, merger of textile units with chemical units and other units the same management or same company so that it cannot happen that the textile units would go sick and the chemical units or the diversified units would reap profit at the cost of the parent textile units.

Several points have been made out by the parties concerned in course of their meeting with Mr. Mirdha also had been who had been gracious enough to listen to the workers when he came to Ahmedabad last week. The Prime Minister also gave a very patient hearing to the workers. The Prime Minister also promised to set up a committee, a national level committee to go into this matter. I request the Minister of Textile to urge upon the Prime Minister to expedite setting up of this committee so that all problems can be gone into. But, notwithstanding all the sympathy of the Textile Minister, he has to work within the parameters of the textile policy ; and unless that paragraph, namely, paragraph describing taking over of all mills and allowing the so-called viable units to be closed down is expunged from the textile policy, the Textile Minister with all his sympathy will not be able to help the workmen. I, therefore, request a comprehensive review of national textile policy may be taken up as an urgent measure so that immediate steps can be taken to restore the health of the textile industry and to protect employment and employment potential of the workers.

Rehabilitation measures have been announced. They are quite good. But one thing worries us and that is that mills

closing down do not even pay terminal benefits to the workers, retrenchment relief, gratuity, notice pay, wages due, leave wages dues are not paid by the closed textile units. What to do? Government must force them to pay to the workers their dues. If they refuse to pay, then government must take over the assets of those units and utilise those assets in order to pay terminal benefits to the workers. If it is not possible to keep units in running conditions, Either run the mills, if it is possible; if it is not possible, then, at least, do something for the workers. Many workers are ready to go with golden hand shake work if they are assured proper payment of retrenchment relief, terminal benefits and the benefits of rehabilitation scheme. Workers think : "*Sarvnashe Samutpanne Ardham Tyujayati Punditah.*" If, employment is to be lost anyway and everything else is to be ruined, then, at least, why not rest content with accepting retrenchment relief, terminal benefits plus rehabilitation benefits; but that should be resorted to only when it is found impossible to run a unit. Otherwise, the first attempt should be made to run a unit. The interests of the industry and the society are to be protected because textile industry, textile units are public utility concerns; it is producing cloth and cloth is a public utility commodity. Therefore, looking from this angle, an attempt should be made to run the units. In any case, the workers should not be denied terminal benefits and the rehabilitation benefits. The trade unions of Ahmedabad have suggested that rehabilitation benefits should be more liberalised. Instead of 18 months' pay which is envisaged to be paid to the workers spread over 3 years, it should be spread over five years and a minimum of 30 months' pay should be spread over five years to the workers so that in the meanwhile workers can get alternative employment.

A still better scheme would be to introduce a pension scheme for those workers who are affected by closure of mills so that they can get certain amount of pension until they reach the age of superannuation. That would be an ideal thing if the government is able to do it. There need not be any pessimistic note on the textile industry.

The Minister rightly pointed out on earlier occasions that the production in all the three sectors has gone up—handloom, powerloom and the organised sector. We have to utilise our export potential, Mill-owners have informed the government that export potential is to the extent of Rs. 8000 crores. The present export being about Rs. 2,500 crores per year, we can surely utilise it by invigorating textile units. Of course one thing has to be borne in mind. Giving relief only in the matter of excise to the textile units will help only mill-owners and no one else. Mill-owners have not responded to the very good gesture shown by the government. They have not passed on the benefits to the consumers. We have heard about the advertisement issued by some industrial house. But informed circles tells us that it is an eye wash. Prior to the announcement of the budget proposals, immediately prior to, there was a spurt in the price of yarn. And now it is sought to be scaled down in order to restore the *status quo ante* and no benefit of the concessions is thereby intended to be passed on to the consumers.

You should also strengthen the excise law in order to ensure that the benefit of any excise concession is immediately passed on to the consumers.

I submit that so far as my city is concerned, it is put to almost in the condition of ruins. More than Fifty per cent of Ahmedabad's economy is dependant on textiles. Not only textiles mills but several processing units are in a very bad condition and are closed down. Therefore, something will have to be done in order to save Ahmedabad from further ruin. Something has to be done, I do not say that more funds may be advanced to the mill owners because I am aware that in Gujarat alone, the bank dues payable by sick units and SSIs and large industrial units, at the end of December 1986 amounted to Rs. 420.45 crores. I do not know whether the occurrence of "420" here is a mere coincidence or it reflects the clause pertaining to cheating in the IPC. But, any way, Rs. 420.45 crores are liable to be paid, they are bogged down with sick units, Rs. 57.14 crores, Rs. 29.32 crores

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and Rs. 15.63 crores are due to IDBI, IFCI and IRDB and the break-up shows that the lion's share of these dues is from textiles. The liability of textiles is Rs. 244.64 crores in Gujarat alone to the banks, and Rs. 35 crores to IDBI, Rs. 12.69 crores to IFCI and Rs. 7.54 crores to IRBI.

You will have to take comprehensive measures for restoring the health of the textile industry. The further process of deterioration in any case will have to be arrested. And so far as Ahmedabad city is concerned, kindly forget that it is in the position of metropolis. It is also just like any drought-affected area. Please treat it as a drought affected or backward area, and set-up giant public sector unit sponsored by the Central Government in Ahmedabad so that alternative employment is available to the workers.

With these words and with a sanguine hope that the Government of India will surely look into the sad plight of the workers and take some measures on a war footing to ensure that the employment potential of Ahmedabad textile workers is not affected, and those closed units are immediately revived to work and no further textile unit is to be closed down, —with these words and observations—I support the Demands.

[Translation]

SHRI ABDUL HANNAN ANSARI (Madhubani): Mr. Chairman, Sir, I support the Demand for Grants of the Ministry of Textiles presented in the House, but at the same time, I consider it necessary to say a few things about this policy. Just now, the hon. Members have spoken a lot about mill and powerloom sectors but handloom is the sector, which is neither able to air its grievances nor its voice reaches this House in forceful words. The hon. Members must have come to know from the newspapers that for the first time, the handloom weavers all over the country had to come on the roads to plead their case before the people. The facilities which have been made available to them under this policy,

have been openly violated. On going through the handloom policy, it seems that under 9 point programme, some facilities have been provided, such as, supply of yarn or hank yarn which is essential raw material for the weavers, financial scheme, yarn depots and cloth reservation. Besides, the responsibility of making available Janata cloth to the poor, has been entrusted to the handloom sector. Similarly, mention has been made about the schemes being run under modernisation programme and working hours for the weavers. I would like to put before the House some things in their entirety.

In 1987, when I came to know about the large scale export of cotton yarn being made from the country, I had expressed my apprehension in this House through Question No. 2708. In reply to the Question, I was assured that the Government was going to export only a small quantity of cotton yarn to other countries. In addition to this I was also assured that due to this, handloom sector would not face any difficulty.

The second time when I raised this matter under rule 377 in the House on 19-11-87 and expressed my apprehension about the export of cotton yarn, I was given the similar assurance and told that shortage of cotton yarn would not be allowed to be felt by the handloom sector. But you will be surprised to know that the cotton yarn which was available earlier at Rs. 100 is difficult to get even at Rs. 180 and that too is not available at all places easily. The result is that 3 crore weavers who were dependent on handloom are facing starvation and have been compelled to go to big cities where they are living in slums in inhuman conditions, and nobody bothers for them.

Janata cloth, about which wild claims are made regarding its production, has been able to provide work to not more than 20 per cent of the weavers all over the country. The hon. Minister can himself check up the figures. The proof of this is that 80 per cent weavers are not engaged in the manufacture of Janata cloth. The hon. Minister knows that the handloom industry

is a big industry in the country and it has got its own history. It has not only met the domestic demand but has also got a hold over the markets in foreign countries. During the colonial rule, the Britishers had chopped off the thumbs of the weavers producing handloom cloth in the country. But even today the weavers are being deprived of their occupation in their own country. The reason for this is that the weavers neither get raw material nor other facilities. This is the reason why they are facing difficulties.

Under the Janata Cloth Scheme, the Central Government tried to provide employment to 20 per cent unemployed in one year. Under this scheme also, exploitation is being done. This matter has been raised several times at various forums. All-India weavers Congress, of which Prof. Ranga is the President and myself a humble worker, had also passed a resolution and presented it to the hon. Minister of Textile with the request to look into the problem. But time and again, it is explained that this matter is the responsibility of the State Governments and only they are competent to deal with it.

I fail to understand that when a large amount of funds of the country are pumped into this sector in the name of uplifting the poor and providing facilities to the weavers, how is it that the Government is not able to provide work to the weavers. Cotton yarn quota is lifted on fake names and is sold in the market. Subsidy is also drawn on this account. Several of such cases are pending in the Ministry. If this system continues, when the handloom sector will get work?

Mention has been made of cotton yarn depots. There are hardly two depots in the entire state of Bihar and none in my district where about 25 thousand looms are there. I can say with confidence that not even 500 weavers are engaged on them now-a-days. Rest of the weavers are either pulling rickshaws in big cities or are doing odd jobs to avoid unemployment. If anybody has any doubt about this, I would suggest that let a team be sent there to see for themselves the condition of the people over there. I would like to give an

example. The figures in the official report indicate that production has been shown even during the days when northern parts of Bihar were inundated in devastating floods. If such things are not inquired into, I do not think awful exploitation being done in the country can be checked.

Similarly, people from Maharashtra also come to me and apprise me of the conditions prevailing there. The conditions are similar there also. The people who are in this occupation are coming from all parts of the country and meeting us. If the policies announced by Shri Rajiv are implemented and if Government efforts remain confined to disbursing money, I do not think we are faithful to our beloved leader, as it tant-amounts to violation of policies, which foster unemployment. This will also mean misuse of tax payers money. If these things are not looked into deeply, we are guilty before the electorate. We must think over these things.

When Shri Srinivasan introduced powerloom in 1972--a period of rising unemployment--just for modernisation, at the time also several weavers were rendered jobless. Mill sector increased the price of cotton yarn recklessly which resulted in unemployment among weavers. At that time also, the same assurance was given that handloom sector will not have to compete with the powerloom sector. In this report too, similar guarantee has been given, that shortage of cotton yarn will not be allowed to be felt. Today also, we have got the reply that cotton yarn will be exported. I fail to understand the logic of exporting cotton yarn by a country where 3 crore looms have been closed down due to shortage of cotton yarn. This also raises a suspicion that some people might be involved in the export of cotton yarn. I would like to impress upon the Government that export of such items should be stopped. About hank yarn also, we are doubtful whether it will reach the poor or not. In strong words I would like to impress upon the need for the setting up of cotton yarn shops in all districts so that cotton yarn could be made available to the weavers at the prescribed rate. If such an arrangement is not made, there is no way out to make available cotton yarn to the weavers and in

[Shri Abdul Hannan Ansari]

that case some people will keep on benefiting from it.

Similary, there is a need to make marketing arrangement for 80 per cent non-Janata cloth and to pay proper attention to 20 per cent Janata cloth already being produced by the handloom sector. The subsidy given for this purpose is misused. We are raising such issues in the House because we are the representative of the people and have a responsibility towards them. If we are not able to accomplish this work, the scheme of the Government will become a mockery and these helpless people will never be freed from difficulties. They will lose their confidence in us.

Mr. Chairman, Sir, handloom sector is the major employment generator next only to agriculture. 3 crore people are engaged in it and 5 crores are connected with it. I am not against powerloom or mill sector but I want that our oldest industry should not forget the words of Mahatmaji who said that if protection was not extended to cottage industries, our freedom would be in peril. Shrimati Indira Gandhi had also given the assurance to protect the handloom industry. I most humbly request the Government to do justice to the handloom sector and to adopt a sympathetic attitude towards these poor and helpless people who do not know anything and to protect their interests from the big money lenders, exploiters and the leaders who play with the lives of the people. With these words I support these Demands and conclude my speech.

[English]

SHRI DIGVIJAYA SINGH (Rajgarh) :
Sir, I rise to support the Demands for Grants presented by the hon. Textile Minister. The operative part of the textile policy says :

"The Government hopes that the policy framework outlined above would facilitate the necessary restructuring of the textile industry in India" would equip it to make an increasingly significant contribution to output, employment and exports and would satisfy the

clothing needs of all sections of population."

If we closely analyse the national textile policy and if we see the results in the last two years, we will draw certain conclusions. First of all, 70% of the people involved in textile industry come from handloom sector and I totally agree with the hon. Member who preceded me that we as a nation have not looked after the handloom industry as well as we should have. The production in the organised sector has fallen short of our targets ; the powerloom sector has marginally increased and the handloom sector has almost remained stagnant.

As far as employment goes, there has been no increase in employment in the textile industry. On the contrary, our textile mills have been closed. 57 textile mills have been closed ever since our textile policy came into being. Handloom sector also has not yielded any additional job.

16.38 hrs

[SHRI SHARAD DIGHE in the Chair]

On the export front, we can draw certain satisfaction that we have touched Rs. 1,000 crore target. But if we have a closer look at our export targets, then we find that the cotton goods have increased from Rs. 311 crores to Rs. 475 crores. But cotton yarn has increased from Rs. 64 crores, to Rs. 296 crores, i.e., 432% increase. At whose cost have we increased this export of cotton yarn? The result has been the handloom weavers all over the country are out of job. They are on the street. For the first time, they have come out openly against the policy. I would request hon. Minister to have a closer look at this. If we cannot provide cotton yarn, we should go at least for polyester fibre yarn for the handloom industry. But the weavers of handloom must be provided yarn. If we see to whom have we exported our cotton yarn, if we analyse that also, we will find that we have exported our cotton yarn to non-traditional areas, i.e. Taiwan and South Korea which are our competitors

in the garment industry. We have given them the cotton yarn at cheaper rate, to raise our exports, at the cost of our local garment industry and also at the cost of our handloom weavers. I would say that there is a strong case for reconsideration of this issue. The handloom weavers must be provided total protection. I would like to comment on the functioning of the NTC. The scene at the NTC is rather poor. They have not been able to achieve the target in any sector. They have not been able to fulfil their social obligations. The controlled cloth, *Sulabh* textile production which was proposed to look after and cater to the needs of weaker sections has not been made. The functioning of the NTC also has to be improved. The recruitment policy has to be streamlined. There have been instances where people have been appointed Chairman of the NTC who did not know a single thing about the textile industry. That has to be corrected. All such people who are totally unaware of the textile industry who are there in the NTC must be thrown out immediately. Rationalisation and modernisation is being done but the losses which are accumulating is a matter of serious concern.

In the organised sector also, a very pragmatic approach has to be taken. Most of these closed textile mills are located on prime land either in Bombay or Ahmedabad or Indore or even in Delhi. If you have to run the textile mills, you have to get money for modernisation. How long the Government of India can go on subsidising the organised sector? The prime land on which the textile mills are located has to be sold out and real estate should be developed on this land and the money accrued from the sale of this prime land should be used for modernisation of sick units. The State Government should be taken into confidence. The State Government should not have a closed outlook as far as this is concerned. Let there be open outlook.

Let there be a Committee of the Government of India and the State Government which can go into each case but if you want to run the organised sector, there is no other alternative but to shift to cheaper land and use the prime

land sale proceeds for modernisation of textile mills.

The Powerloom Service Centre which the Ministry of Textiles has started has been totally ineffective. Today the powerloom sector needs protection also. In my view, this is the second priority. The first priority is khadi and then handloom. Khadi should be in the Ministry of Textiles. Khadi production is the most important programmes in the country. Powerloom Service Centres have to be upgraded and strengthened. They should concentrate on technical and design inputs. The powerloom weavers must know what they have to produce. That kind of input is totally missing. I come from Madhya Pradesh. There is a concentration of powerlooms in Burhanpur and Jabalpur. The powerloom weavers are in a bad state. There is no facility for the Ministry of Textiles to give them some kind of input in the matter of consumer preference or in the modern fashion designs also. There should be some kind of a subsidy on the power tariff also. Our agriculture is also being subsidised to some extent in the power tariff. Power subsidy should be given to our powerloom users also in the decentralised sector.

I do not know whether there is a Powerloom Service Centre at Burhanpur and Jabalpur. If there is no Service Centre in Burhanpur or Jabalpur, there should be one in both the places. The Handloom is the backbone of the textile industry and it needs total protection. As I have already said, the availability of cotton yarn or v.s.f. (Viscose Staple fibre) yarn must be assured. Better handlooms are still not being used and they are still working the old looms. The product protection is a must. The Government of India and the State Governments purchase textiles worth more than Rs. 600 crores to Rs. 800 crores but they are all purchasing textiles from organised sectors. There is a strong case that if you want to give protection to weavers of handloom and khadi sectors, you have to enforce strongly that all the Government purchases by the Government of India, the public sector undertakings and the State Governments must be of Khadi or of handloom.

[Shri Digvijay Singh]

Unless and until you do that, it is very difficult to compete in the organised sector. Fashion design input and consumer preference input have also to be there in the Handloom industry. I feel that we should concentrate on the house-hold and furnishing textiles, as far as the Handloom Sector is concerned. More and more handlooms should be used for the house-hold and furnishing fabric.

Sir, there is a strong case for increase in wages of the Handloom weavers. Although the Government had decided in their Textile Policy that most of the controlled cloth would be manufactured by the Handlooms, but unfortunately it has not taken off yet. Although in the last Budget, the subsidy on the Janata Cloth has been increased from Rs. 2/- per metre to Rs. 2.75 per metre, this is not adequate because the prices of yarn have increased two-fold while the subsidy has been increased to a very small level. Most of the cooperative societies and the Handloom industry is in a bad shape.

Sir, the Polyester Handloom cloth goes for processing to the private sector because most of the handloom cooperative societies do not have processing houses. They are subjected to the levy of the excise duty while the handloom cloth is exempt from excise duty. I would request the hon. Minister to take up the case with the Finance Ministry to see that the handloom polyester cloth which goes for processing to the private houses should be exempted from excise duty.

Sir, khadi production has to be given preference. There is no doubt about it. Although there is a mention of that in the National Textile Policy but the Textile Ministry is not looking after it. I would request Hon. P.M. through you Sir, hon. Prime Minister that there is a strong case for Khadi to be brought under the fold of the Textile Ministry. I would strongly recommend that the yarn of the lower count—say 15 or 20 counts—must be reserved for Khadi spinning *umber charkha*. If you want to remove unemployment in this country, in the rural areas, you have to take up the spinning industry

down to the remotest corners and you must put in technical input so that production of these charkhas goes up. The pedal-operated charkhas are doing well. They should be popularised. I would even go to the extent of saying that we must go in for introduction of half-horse-power motors in this spinning unit, and it would do well. Ultimately, what do we want? We want maximum employment and this is one field which can give maximum employment in the rural areas. The subsidy in the Khadi industry on the spinning and weaving is also faulty. The ultimate result is that most of the institutions are getting money—I mean the subsidy—but the weaver and the person who is employed in spinning is not getting the benefit. I have already requested about the Government's purchase as far as Khadi and Handloom is concerned.

Sir, one of the most neglected sectors is Sericulture. It is very surprising that in a country like ours which has a large labour potential, such a labour-intensive sector has been totally neglected. It is one area where there is a very large potential and a lot of money has to be pumped into this sector, if we want to remove unemployment in the rural areas. Further, I would request the hon. Minister that an integrated policy on Sericulture development has to be drawn because ultimately Sericulture has to be seen in the integrated way starting from the planting stage or rearing the cocoons down to the marketing of your product. Therefore, an integrated Sericulture policy of the Government of India must certainly be brought out.

Sir, I have read in the papers that Government of India has gone in for a World Bank loan of Rs. 700 crores. It is a very good thing. I would request that Madhya Pradesh may kindly be taken up as a State for intensive development of Sericulture. Sericulture and Kosa production can be very useful in the tribal areas because it fits into their life-style, it fits into their economic system also. I would, therefore, suggest that Kosa production, right from rearing of cocoons down to the reeling, weaving, processing, dyeing and printing as a whole, should be taken up as a project in the tribal areas and more

so in those areas where Kosa production is also there. I would say that the fiscal policy as per the textile industry has to be very closely looked into. There should be total coordination between the Textiles, Petro-chemicals and the Finance Ministry before any excise duty or the excise levies are imposed. I would like to bring to the notice of the House the Excise Notification of December 1987 where suddenly levies were imposed and there was uproar throughout the country and under pressure Government had to withdraw those excise levies. In the first place, there was no need for it and when we did that, we unnecessarily created a situation which could have been easily avoided. There is a strong case in all cases of fiscal policy imposition of excise levies in the Textile Ministry must be closely looked into; must be closely coordinated because it is matter of serious concern that number of times, people come out with various insinuations which, I am sure, are totally incorrect. But, we have to be very careful as far as these are concerned.

It is amazing that Rs. 3,000 crores of textile goods are smuggled into this country. It is not a small thing that the people can bring in their pockets or something like that. If Rs. 3,000 crores of textile goods are smuggled into this country, then they will have to be curbed, they will have to be prevented. There has to be a serious concern on this point. Hon. Minister of Textiles must take up this with the concerned Ministers.

There is an argument that the excise duties should be rationalised to check smuggling. There is a strong case on that. But it has to be seen in an overall manner whether this would really check smuggling or not because we should not fall prey to the situation where we reduce the levies and smuggling also is carried on.

To conclude, the composite mills in the organised sector should confine itself, should concentrate on producing higher quality fabric required for our garment industry, exports and leisure markets. I will be sorry if I offend any of my colleagues here. But we should not hesitate in closing down mills with obsolete machi-

nery which cannot meet the present day competition. I would go to the extent that it would be better to close down mills and give them fifty per cent of the wages till their age of superannuation. That would be cheaper for you. (*Interruptions*) I think, rehabilitation plan is a must. But the resources available at the command of the Government should first go to the handloom industry because that incidentally employs the largest number of people.

I would conclude by saying that there is a real need for a closer look in the Textile Policy, fixing up of priorities and if need be, we should go in for mid-course correction and with greater emphasis on khadi and handloom production.

DR. DATTA SAMANT (Bombay South Central) : The textile industry is second to agriculture in our country involving about more than one crore labour force in all the three sectors. But this Government has, whatsoever, no planning. All the planning, all the development and all the help in the textile industry is just for those who are sick, for those who are not well. It is there just to finish them off. I am coming to it. And those who are healthy—I think the healthiest is Shri Dhirubhai Ambani of Reliance and then comes JK and RK—you feed them, give them concessions, give them assistance and give them modernisation funds and go on making them more rich at the cost of textile workers who have literally built up the economy of this country.

Mr. Chairman, Sir, you are from Bombay. Three lakh textile workers in three generations have built up Bombay. Because of that, all the other industries have come up and because of the hard work of the textile workers of Bombay, the whole of Bombay has now beautified. The whole policy of this Government, all your Acts are leading to such an extent that they are going to massacre the textile workers in this city.

Mr. Mehta, who belongs to your party has repeated the same words, though he supported it. He said, the textile workers in Ahmedabad had to commit suicide.

[Dr. Datta Samant]

Because of poverty women had to indulge in prostitution and 50% of the economy of Ahmedabad is ruined. I remember your words, I have noted these words; these are the words of a Congress-I MP! This is the textile policy on which this Government is moving. I will come to it a little later.

In the last budget we heard at about 15 places where you have announced various concessions to textile owners. There is no time to enumerate them. For polyester staple fibres Rs. 10 duty cut, for polyester yarn Rs. 27 duty cut, etc. Both these duty concessions amount to Rs. 266 crores which are given to polyester magnates; out of this Rs. 155 crores will go to Dhirubhai Ambani and his Reliance. From here you start the whole planning of the country and then you talk of the poor. I know that we had shouted at it because workers are not in your jurisdiction at all. I know the policy of the Government.

Now let us talk about consumers. I think your policy is for consumers. While talking in this House you have said that these benefits will pass on to the consumers. I got the statement of Mr. Sharma, the Textile Secretary who called three times in the last one month all the textile magnates and told them that 'we have given you concessions, you must monitor it and these concessions must pass on to the poor people'. I made a calculation. Whatever concession you have given to the top magnates, if they are passed on to the consumers, the cloth price of polyester must go down by Rs. 2 per metre and 40 n.p. on the filament yarn. Reliance has given in the Press just to please the Minister that they have reduced. Has that gone to the consumers? Has it gone to the people who are purchasing it? Do these traders and the people in between pass on these concessions to the people? The price of the polyester saree must go down by Rs. 10 if these concessions are passed on to the consumers. What the Government is doing for 35 days and what for is your budget? Forget about workers; you have killed them and massacred them; but are you caring for the

consumers at least by your textile policy? I am raising this issue.

How many concessions have been given by you! On Nylon you have reduced the duty by 50%, on cotton you have reduced by 3%, Viscos staple fibre you have reduced the duty. For importing machinery by these big people you have reduced the duty from 15% to 10%. Dhirubhai Ambani and other top people are telling you and you are dancing like** before these people and making your textile policies just to please them. I am accusing this Government in this House.

If the consumers are not benefited, if all the people are not benefited, then what for is your budget? It is your experience also, Sir. Prior to this textile policy you have given concessions.

THE MINISTER OF STEEL AND MINES (SHRI M.L. FOTEDAR): The Hon Member has mentioned that the Government is dancing like** I think it is unparliamentary.

SHRI MURLI S. DEORA (Bombay South): Whatever he talks is unparliamentary!

DR. DATTA SAMANT: Why, you feel it? I have given the calculation to the naya paisa, let the Minister reply.

MR CHAIRMAN: His reference to the Government is derogatory. Therefore I expunge those remarks.

DR DATTA SAMANT: The benefits have not gone to the poor people. The Hon Minister has announced in the Upper House that they are not bothered about sick units; let them die their own death; this Government will not take over a single textile mill. The Minister may correct me, I read it in the Press. This is the statement he has made in the Upper House.

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA): No more nationalisation.

**Expunged as ordered by the Chair.

DR. DATTA SAMANT : Yes, no more nationalisation. You have made this statement which I have read in the Press. I am correct by 99%. If that is so, then who is going to take care of all these sick units? I am not telling you to take over them. Why these units have gone sick? 50% machinery of NTC and other sick units are forty or more years old. You have taken Tatas and Empress Mills. Tata's assets have gone up to Rs. 4200 crores.

17.00 hrs.

Two mills of Birlas are closed. His assets have gone up to Rs. 4500 crores but his old mills have become sick. The buffalo has given 13 children. Then it has to be sent to a slaughter house and the Government has to take that buffalo and just feed it. Why are you not punishing these mill owners who have not modernised these units? What they have done in 50 years while running the mills nobody knows! The Government has been sleeping over and when they make the units sick and hand it over to you then you say 'I am not going to take it over'. I think lakhs of workers—at present 1.5 lakh workers—from Bombay, Ahmedabad and Kanpur are dying and because of such adamant and pro-employers' policy this Government is going to massacre many of my textile workers. I strongly present the sentiments of all these workers before the House.

Now what about NTC mills! One hundred twenty five NTC mills are there. They are doing 80 per cent production. I would like to know what provision you have made for the NTC mills in the next five years? It is only Rs. 117 crores. Out of this amount Rs. 80 crores are meant for repairs of the buildings which Tatas and Birlas did not do, repair of latrines and boilers. It is big bosses' job which they are doing. This shows your intention. Only Rs. 42 crores are meant for paying the dues to the workers. It is the intention of this Government to close the mills, throw away the NTC workers and finish them off. This is very clear. You have provided Rs. 750 crores for modernisation of Century, Birla and Reliance mills and for NTC mills only Rs. 117 crores for five years and for repair of the buildings. For

NTC mills you have not given a single paise for modernisation. How the NTC mills are going to run! This government must feel something. Now see what your Secretary has written regarding NTC mills :

"The shortfall in production in 1986-87, as compared to targets, is mainly due to power shortage, strikes, as well as factors like labour absenteeism and disturbed conditions in some parts of the country."

This has become the fashion to talk of non-cooperation of labour. They have not been paid the salaries. They are committing suicides and your Secretary has written this. At least the Minister should have corrected this. Ultimately you blame the workers. You talk all the policy matters with Birlas and Tatas whereas the workers die. It is pro-workers' government? I am asking all of you here. The whole attitude of this government is to close down the mills. You have not made provision for modernisation. You have not made the provision for payment of the workers' dues. This Government is going to kill, sabotage and finish off the old textile mills workers because of no fault of the workers. The machinery of the NTC mills is 50 years old. Are the workers' responsible? What have the top bosses done? Is this government sleeping?

I want to suggest one important point. When VP Singh was the Finance Minister, the Sick Industries Bill was passed. After the textile policy was announced 45 mills all over the country have closed down and 13 mills are closed down in Bombay. I burnt that textile policy on the roads of Bombay. I opposed it for one hour in this House. Now you are saying this is bad. You cannot look to the interests of thousands of workers. Now why do you not apply the provision of Sick Industries Act? When share capital is going down to 50 per cent the hon. Board can act. Hon. Minister can give the instructions. You can change the Director. If somebody is making the mill sick the Board has got vast powers. I moved that

[Dr. Datta Samant]

amendment and it is in the law. You can change the director. The mills of Tatas, Singhanias and Birlas are closed as per that law. There is provision. I am pointing out that you can club the healthy unit with the sick mill. Have you got anything for the workers? Why are you talking all these things? There is a provision in the law. I am insisting for the engineering unit. But this department has not done anything if the mill is going sick. These are all big bosses. You tell them to remove the director. You tell them that we are going to club the sick mill with units like Century Mills or Birla Cement. Further, you have got the power to stop finance and loan to them. But you will never stop it. Now you are starting some project of Rs. 2,000 crores. Those who have cheated the national economy, those who have deceived the people, such people you are supporting. This law is only for academic discussion in this House. Why has the Government not used all the three provisions to avoid the sickness of the industries? There is absolutely no thinking. There is not anything to be implemented in this matter.

In Bombay, the people are suffering. I am happy you also said that. But how many sick mills you have to look after? Rs. 1,100 crores are blocked. Hon. Minister, before you came as a Minister and before the Textiles Department was formed, all the big bosses—textile magnates—all over the country had cheated Rs. 1,500 crores of the nationalised banks. The maximum cheating is by the textile magnates. For taking over the mills of NTC, you are in the debt of thousands of crores of rupees. For such big bosses, the modernisation fund of Rs. 750 crores has been created. They have taken so far Rs. 150 crores. What are the rules for your modernisation fund? The healthy and good mills must get that fund! But little sick or bad mills should not be given? This shows your attitude regarding the modernisation fund.

Mr. Chairman, your neighbour, Century Mills belonging to Birla, got the maximum. He exported cotton cloth worth Rs. 67 crores. He is getting the profit of Rs. 13

crores. But he has removed the workers. He has just kicked them out. Out of 13,000 workers, he is having only 7,000 workers in the mill now. The Government is now saying: you are a great man; you are exporting everything. I am giving you concession in the tax.

Hon. Minister, I can quote thousands of policies of this Government from which all these big bosses in the country are getting the benefits. Your modernisation fund is being used in Bombay by Morarji Mills, Century Mills, Standard Mills, Bombay Dyeing, which are very good mills. What is the need for giving modernisation fund to these mills? After taking this modernisation fund, if they import one schlager loom, one worker would replace 22 workers. Is it the policy? Is this the way to protect the interests of the workers? All the benefits of these looms go to that owner who has already cheated their funds. All these 7-8 mills are doing very well.

The millowners have adopted the strategy that a mill is good, take all concessions, run it properly. decide another is bad. Finish it off. Kill the workmen. Run away and sell the land. Instead of teaching these people in Bombay, the Government have now come forward with a policy that we will allow you to sell the land. It is like gold. The share capital of the Bombay Textile Mills is Rs. 60-70 crores. But by selling the land, they will get Rs. 1,500 crores. Such temptation is shown from here. Such concessions are told to them. Gradually, some 7-8 mills—new, modern, mills—have been closed during the last two years. Sadhna mills is closed to the extent of 15 per cent. Ambica Mills is closed. What are you doing? Then, they talk that Dr. Samant has done it. This is becoming a fashion. The strike in 1982 has nothing to do now. I have not gone to Mr. Mehta's place in Ahmedabad to do that. You people are creating problems for the workmen. The Bombay textile workers are facing difficulties. They have a feeling that the Government is working in close cooperation with the millowners.

For God's sake, I request hon. Minister at least to announce today that we will not allow them to sell the land. On the con-

trary, I am going to put up the proposal. Your Rs. 1,100 crores are blocked. You are giving them Rs 600 crores concession for the tax and Rs. 750 crores for modernisation fund and in spite of giving this money, I don't think that clothes will be cheaper and the workers are going to suffer. Why not take over all these mills? Hon. Dighe has given a very good suggestion and I support it. You have got NTC. It is a white elephant. How many branches have you got? One in Bombay, one in Ahmedabad and so on. I think it is your responsibility to run them. Therefore, I am putting another proposal that all these mills should be taken over by the Government and I think that will solve the problem with such type of work the mill owners are going to cheat trouble you more. 13 nationalised mills in 83—you are still hesitating and 70,000 workers are out in Bombay. In Kohinoor mill, the judgement given by the High Court to take back the 1600 workers is not followed by the Government. The modernisation of the mills must be monitored by the Government. Don't leave it to the union. I have seen RMS making settlement with certain people. I don't like to go into that controversy now. Therefore, Srinivas mill Khandesh mill—these proposals have come to you two three times but subsequently, you are not bothered and the same policy has gone there.

The problem is regarding cotton growers. 87 lakhs bales is this year's production. This Government has danced to the tunes of these mill owners. I am going to put it again. They are having their lobby. They are having praise. I am going to ask the hon. Minister that for one metre of cotton cloth, do you need 8 annas worth cotton? you raise it by two annas and make it 4 annas. The man selling the cloth with Rs. 15 per metre is he going to suffer? There is praise and everybody supports shouting and Government going to the rescue of this owner saying that we will allow you to import 5 lakhs bales. 1.5 lakhs mill workers are dying. My friend has said that they have committed suicide. You have no sense. Since 5 lakhs have gone down, you are saying that we will allow you to import and we will not allow you to export. It is as though you are working

for the views and whims and fancies of these mill owners. It is very bad. You use CCI when the prices are falling down but the prices are going up, let the poor farmers get some hundred rupees more. I think at least you have some love and affection for the cotton growers. You know that in Andhra Pradesh, they have committed suicide. I will not take much time.

Regarding smuggled goods, is it your figure 3000 crores worth goods are smuggled correct? Because Government record is not there and I want a categorical reply because this is as said by Dhirubhai Ambani in Ahmedabad three years back and by Ajanbhi Modi in Bombay. They have a propaganda. They say that lot of goods are smuggled and you have concession in the excise duty. What is the Government seizure for the last 3 years? The seizure by customs is Rs. 16 to Rs. 20 crores and the reality is ten times of it is smuggled. Propaganda is made in the Press. We also talk. Therefore, it is the duty of the Government to see that it should not be smuggled but whether 2000 to 3000 crores worth goods are smuggled is correct or not is important.

Another point is while giving 100 per cent concession in the excise duties, again the mill owners lobby is operating. Smuggling is more. Even if you reduce the total duty, our cloth is 12 to 15 rupees higher than what is done in Taiwan or that area. Therefore, while making any such calculations, I request this Government not to dance as per the lobby and I want the reply as to how much smuggling is really done in this country. Therefore, with all such textile policies, the textile workers are literally ruined. Our power loom workers are used as slaves and whatsoever, there is not any type of attention of this Government to them. Your intention of reducing all the cloth to the consumers' rate has also miserably failed. Let the Minister announce that I am scrapping this policy in this House today. This was my most bitter speech when the textile policy was approved here. The workers are prepared to help and give production and all your modernisation helps are going into the hands of few top people. I am sure that people may accommodate but this will not live long.

[Dr. Datta Samant]

Therefore, you must scrap the National Textile Policy and nationalise all the textile mills. The cotton growers should get good rates and you should not resort to imports. The Bombay textile workers should be enabled to benefit from the revised wage policy.

SHRI MURLI DEORA (Bombay South) Mr. Deputy-Speaker, Sir, it is very difficult to reply to some of the ridiculous arguments which my hon. friend, Shri Datta Samant has advanced . . . (*Interruptions*). The Textile Policy was announced in June, 1985 and he is blaming for the closure of the textile mills in Bombay, Ahmedabad and other parts of the country on the Textile Policy of the Government. The Textile Policy was announced in June 1985 and the mill strike in Bombay was initiated by my learned friend in Bombay in 1981 and 1982. It is really sad if someone has made the mills . . . (*Interruptions*). Thank God he did not go to Ahmedabad. I must congratulate the Gujarat Government that they did not allow him to go there . . . (*Interruptions*)

In 1981, Dr Datta Samant misguided the workers—I am not saying that he had any motive. The time was so bad, the worst recession in the textile industry in the world was there in 1981. What were the reasons to have a textile workers strike in Bombay at that time ? . . . (*Interruptions*).

DR. DATTA SAMANT : Were you paying more than Rs. 4 per day to the workers ? . . . (*Interruptions*).

SHRI MURLI DEORA : I did not disturb you. I am not charging Dr. Datta Samant for colluding ; though some people in the textile unions in Bombay have charged him for collusion with the mill owners in Bombay.

DR. DATTA SAMANT : On a point of order. He has raised this issue against me personally. It is the biggest crime on earth. Some two lakhs or five lakh workers were out for two years. This is not the collusion that my friend and many employers have been doing. At least for the sake of sentiments of the workers, you should withdraw these words.

MR. DEPUTY-SPEAKER : No personal accusations.

SHRI MURLI DEORA : I did not say that Dr. Datta Samant has colluded . . . (*Interruptions*).

DR. DATTA SAMANT : I do not need your certificate . . . (*Interruptions*).

SHRI MURLI DEORA : You have charged the Government with all sorts of things which are not true.

DR. DATTA SAMANT : This Government is working hand in hand with the mill owners. One of the Central Ministers told me that when the question of interest comes, they have to take the interest of the millowners, because they are funding us . . . (*Interruptions*)

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : You name the Minister. We are not going to protect him . . . (*Interruptions*). Do not make such allegations . . . (*Interruptions*). Name him right now.

DR. DATTA SAMANT : It was the ex-Finance Minister . . . (*Interruptions*).

SHRI RAM NIWAS MIRDHA : Name him right now, otherwise withdraw the remarks.

DR. DATTA SAMANT : It is Shri Pranab Kumar Mukherjee, who was the Finance Minister. He told me : "You have to run the union, but I have to run the party, and for running the party, we have to see the interest of the mill owners."

You are working hand in hand with the Bombay mill owners. I know, how much money you collect for the election funds. I have been in the Assembly for the last 25 years. You have massacred the textile workers. You have no normal courage to talk here . . . (*Interruptions*)

MR. DEPUTY-SPEAKER : No interruptions please.

THE MINISTER OF STEEL AND MINES (SHRI M.L. FOTEDAR) : I would like to tell the hon. Members that I am speaking here to ask certain clarifications. My hon. colleague has asked him

to name the Minister. My impression is that Dr. Datta Samant has not given the correct information . . . (*Interruptions*). Because when Dr. Datta Samant came to Parliament, Mr. Mukherjee was not the Finance Minister. That is what I am saying.

DR. DATTA SAMANT : When the Textile strike was there when I was not in the Parliament.

SHRI M. L. FOTEDAR : I am asking the Hon. Member to say correctly, who was the Finance Minister.

DR. DATTA SAMANT : Do you want more details ? I can challenge to make a statement. I know you were there with the P.M. I can give you the details of the talk as to what the Chief Minister of Maharashtra and the Central Minister said to me. During the Textile strike they said just to call off the strike and maintain the interests of the Bombay mill owners. You are ruining the interests of the mill owners.

SHRI MURLI DEORA : I do not want my friend to be offended. Everyone has right to talk . . . (*Interruptions*).

You have called the Government names. You said the Government are wagging their tail in front of the mill owners. We are not going to tolerate that. I am saying how can you accuse the Government like this ?

DR. DATTA SAMANT : The Government is behaving like this.

SHRI MURLI DEORA : O. K. that is your opinion . . . (*Interruptions*).

What I am trying to say is that while on one side Dr. Datta Samant has accused the Government and the Textile policy of the Government, I am very humbly submitting here that the Textile policy was announced in June, 1985 while the textile strike which really ruined the Bombay city textile workers—nearly 150 to 250 thousands of people were out of job because of the textile strike the strike which is supposed to be continued even now—was declared in

1981. asked about this to Shri Dighe also and the textile mill strike for which the call was given is still continuing. Thank god, after suffering for so many years, the poor workers who were mis-guided . . . (*Interruptions*).

DR. DATTA SAMANT : You are not talking about me.

SHRI MURLI DEORA : I am not talking about you. You can accuse the Government about anything but you cannot allow us to speak. What I am trying to say is that unfortunately some mis-guided trade union leaders who were not in the textile union earlier, I am not naming anybody mis-guided the workers and that was the reason which really finished 17 per cent of the textile mills in Bombay. My learned friend, Dr. Datta Samant is an expert, he is a doctor and I have very high respect for him. If a textile mill is closed for 3 years then what will happen to the mill, I would like to know. What will happen to the spinning, weaving and processing machine. You see the Srinivas Mill, the Sohan Mill, etc.

DR. DATTA SAMANT : He is talking something which is irrelevant. I have not closed the Srinivas Mill. It is a new mill. I have not closed it. You very well know that the electric Bills were not paid by the Srinivas Mill . . . (*Interruptions*).

MR. DEPUTY SPEAKER : He is not attacking you.

SHRI MURLI DEORA : To talk relevance and logic is only the monopoly of Dr. Datta Samant . . . (*Interruptions*).

What I am trying to say is that if any unit, industrial, textile or engineering or whatever it is, if it is allowed to close for 3 years, whatever may be the reasons may be the legitimate reasons, what will happen to the unit. The mill's machinery will become jammed ; the spindles will become jammed. As you have rightly said, after 40 years the spindles have become obsolete.

DR. DATTA SAMANT : What did they do in these 40 years ?

SHRI MURLI DEORA : Yes, I am blaming them also.

DR. DATTA SAMANT : Prior to me, 4 mills were closed. What did you do ? *(Interruptions)*.

The Mills were closing every year in the Bombay city. What your Government has done ? *(Interruptions)*.

MR. DEPUTY SPEAKER : How can you go on interrupting him ?

(Interruptions)

SHRI MURLI DEORA : Sometimes, Dr. Datta Samant speaks as if he is speaking outside a mill. Unfortunately, he does not realise that he is elected to this Parliament.

ONE HON. MEMBER: Again, you are provoking him !

SHRI MURLI DEORA : You don't worry. He is my good friend. He had been a Congress man. He has been misguided. Now, he is again coming back to the Congress *(Interruptions)*.

Dr. Datta Samant mentioned one very important point and I support him on that score. When we take the employment rate in the organised sector, the largest segment of nearly 17½ or 18 per cent of the gross organised sector's employment is in the textiles industry. But unfortunately, even though the population of our country has gone by nearly two per cent, the per capita consumption of cloth has gone down considerably. Let me quote some figures in this regard. After the first Textile Development Fund was established in 1975, the woven fabric in the mill sector was 4267 million meters. In 1984, the figure stood at 3411 million meters. This shows the steep fall in the textile production in India. The real reason has been given by Shri Digvijay Singh whether Dr. Datta Samant agrees or not. But Dr. Datta Samant also rightly said that the manufacturing content of synthetic fibre has gone up, while the content of cotton has gone down. Due to the increase in the content of synthetic fibre, the durability of cloth has gone up and this explains the fall in the consumption. But the real factor responsible for decrease in cloth production is smuggling. Whether it is to

the tune of Rs. 3000 crores or Rs. 2000 crores or Rs. 1000 crores, the huge quantity of smuggling especially with regard to synthetic textiles is the real reason for this fall in production in our country. When you go to Madras next time, you please the Indian Airlines' publication 'Swagat'. You may note advertisements for cashmelon sarees in this publication brought out by a Government undertaking. How are they selling these cashmelon sarees in India, when these are not manufactured in the country ? They are simply selling smuggled goods. Government must really do something in regard to such advertisements and to stop smuggling completely.

When the June 1975 Textile Policy was announced, one of the objectives was to reduce the difference between indigenous prices and international prices. What you get in Taiwan, Hong Kong, South Korea and Japan for just Rs. 22 a kilo, sells at Rs. 180 in India. Dr. Datta Samant knows it. So Sir, the real remedy to this problem is to reduce the price gap between the international market and the Indian market. The price in India is more by eight or nine times. And the cheap international prices are the real incentive that encourage smuggling. Now, I would like to congratulate the Government because even after a delay of nearly two years, the Government is trying its best to reduce excise, customs and other duties.

DR. DATTA SAMANT : For whose benefit ? For the benefit of Reliance !

SHRI MURLI DEORA : Please let me speak. Is Dr. Samant the sole representative of the Indian working classes ? Can no one else except Dr. Datta Samant speak on these issues ? Please allow me to speak ...*(Interruptions)*.

So, I say that this is a correct policy and the Government must do what they promised to do in June 1975. The problem arose because the Government did not reduce the excise duties earlier. They should have done in much earlier in a phased programme. Dr. Datta Samant also said very rightly that those who benefit from these concessions must pass

on the benefit to the consumers as well. If they do not fulfil this, government must take stern action against them and they must be made to pay heavy penalty if they do not pass on the benefit to the consumers. So, on this point I am one with Dr. Datta Samant.

On one more small point, I support Dr. Datta Samant. This is in relation to the BIFR Act. I really do not know as to what is the purpose of introducing this BIFR Act. The BIFR Act provides that in case a unit is becoming sick, Government need not take it over. I feel that the Government must do something either to revise or amend this Act. They must go to the rescue of not only the engineering units but the textile units as well. Unfortunately, nothing is being done in this regard.

On another point too, I support Dr. Datta Samant. He has said that at the time of modernisation, Rs. 750 crores has been given as Textiles Modernisation Fund set up in 1986 by the IDBI. Not much money has been taken. But I agree with you regarding the disbursement of textile modernisation fund to the mills. Whether it is Morarji mill or any other mill, I am not against them or for that matter anybody else. But the Government must insist that they must not lay off the workers. Dr. Datta Samant is right that if a mill has 10 looms and if it imports one sultzerloom, it will replace 10 looms. So if 20 workers are going to be replaced Mr. Minister, you see that these workers are not laid off. This can be made as one condition. You did not give a suggestion. You only said laid off. I am giving a suggestion for you.

DR. DATTA SAMANT : I will give you one suggestion. You monitor it.

SHRI MURLI DEORA : On October, 1983, 123 mills were taken over. Out of these mills, nearly 20,000 workers are still out of job in the Bombay city. So the Government must see that the performance of these mills is improved. Once the mills are taken over, on the garb of modernisation and rationalisation, the workers are thrown out. This must not be done. This is a very-very important point.

Dr. Datta Samant has mentioned that NTC has become a white elephant. Its loss has accumulated to Rs. 1100 crores. It has 125 mills at its disposal. He wants the entire textile industry to be nationalised. I am sorry; I am against that. I do not think by nationalising the textile mills in India, we are going to do service to the workers. I can assure you this, One side Dr. Datta Samant is blaming the NTC's working. . .

DR. DATTA SAMANT : That is a sick mill.

SHRI MURLI DEORA : What I am trying to say is that you cannot nationalise all the mills. The purpose and the real policy will be to help the mills to be lucrative and to help the mills to make reasonable profit. If there is a reasonable profit, expansion will come. If there is a reasonable profit, modernisation will come. If there is a reasonable profit, the workers will continue to make an honest and good living.

With these words, I support the Demand of the Government.

[Translation]

SHRI MADAN PANDEY (Gorakhpur): Mr. Deputy Speaker, Sir, you have been kind enough to call a Bhojpuri to speak after Shri Samant and another hon. Member from Bombay had taken their turn. I come from Gorakhpur which is the centre of handloom industry. When the hon. Members belonging to the treasury benches and the opposition talk about the Textile Policy, they only mention about those industries which are situated in Ahmedabad, Sholapur, Kanpur and Bombay. While discussing the Textile Policy, they generally ignore the weaver class belonging to handloom and powerloom sector. The Members of the ruling party as well as the Opposition should keep it in mind that the Textile Policy is not being properly implemented even under the stewardship of a capable person like Shri Mirdha. While discussing its shortcomings, we should also have a glance upon the history of handloom in India. This is the same India where there had always been a competition among the foreign powers to

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import the Muslim of Dhaka from India to their respective countries. The weavers of Dhaka had the distinction of weaving superfine quality of muslin, a standard size piece of which could be slipped through the circle of a ring. It was these weavers who used to meet the entire domestic demand of cloth when there was no mill in the country. The Britishers destroyed the Dhaka industry by chopping off the thumbs of the hands of weavers. Thereafter, they destroyed whatever new and fine thing was manufactured. This was the time when industrialization in our country was not on a large scale but it was comparatively at the higher level in Britain. The Britishers installed textile mills in this country by making use of the technology which had become outdated in England. Their aim was to earn profit by using the cheap labour which was easily available in India. The textile mills of Bombay and Gujarat, for whom Dr. Samant has such a high degree of praise, are using the same obsolete technology for manufacturing cloth. Due to the adoption of 100-125 years old and obsolete technology, the mills located in Bombay and Ahmedabad are incurring losses and becoming sick. One of the reasons for their sickness is the hon. Member Dr. Datta Samant himself. I most humbly submit that the hon. Member, Shri Datta Samant has neither worked in any factory or a mill, nor did he face any dismissal. Therefore, he does not know about the sufferings of labourers better than me because I happen to be a dismissed labourer of a sugar mill. I very well know that the leaders who incite the labourers to go on strike, later on become the Members of Parliament and the striking labourers face a lot of sufferings and ultimately become jobless. Therefore, there is no need of shedding crocodile tears for them (*Interruptions*).

You please listen to me quietly and stop giving running commentary. Please listen to the reply to what you have said. Merely saying that the Government wants to protect the private sector through this Textile Policy is wrong. It is just your imagination because the Government wants to see each and every section of the society

strong. We shall have to accept this obligation of the private sector that when there was no public sector in India, the work of industrialisation was done only by the private sector. I am not advocating in favour of the private sector but at the same time we cannot think of throttling the private sector. The Government's Textile Policy is in the interests of labourers as also all others associated with this sector. Therefore, the hon. Minister deserves congratulations. Several hon. Members have expressed their views about the textile mills under the new Textile Policy of the Government but without going in details about the mill sector, I want to restrict myself to the loom sector or the handloom sector. Our hon. colleague, Shri Hannan Ansari has made our job easier. He has correctly said that 10-12 crore people of our country depend upon the handloom sector directly or indirectly. They earn their livelihood from this. We have been growing cotton in our country since long and the Government has always tried to give remunerative price to the farmers for their produce. This is the duty of the Government to stabilize the

price of cotton. Never before has there been so much fluctuation in the prices of cotton and such a wide gap between the prices of cotton and yarn in the pre-independent period as also for a very long time after independence. I would like to request the hon. Minister to take such measures that as soon as cotton is harvested and brought to the market, the Government should purchase and store it. The distribution work should also be done by the Government itself. This will on the one hand strengthen the distribution system and on the other the farmers will get remunerative price for their produce. Only then, the Government would be able to make yarn and cloth available to the weavers, and consumers at the same price throughout the year. This will also help in checking fluctuation in prices. The Government should seriously consider taking measures for the storage of cotton so that the farmers and consumers could benefit therefrom and the role of middlemen is reduced to the minimum.

There are no two views about the fact that the handloom industry in our country

did not get an opportunity to keep pace with the changing times. First of all, the Britishers harmed this industry by chopping off the thumbs of weavers and by setting up mills in this country. I would like to request the hon. Minister to bring about improvements in the system of this industry so that it may flourish properly. The weavers do not live in any particular States; they live in every part of India. You have the whole of India before you and the good and bad of the poor people all over the country will depend upon the type of plan you formulate. Therefore, you should keep the entire country before you while formulating or implementing any policy.

Training centres should be opened wherever there are big weaving centres. Designs should be made available according to the demand for garments in our country as well as abroad. Besides opening of training centres, printing and processing machinery should be made available at these centres. Production of cotton thread should be undertaken at those centres where haulage is not needed. Such centres could be set up in Banaras or Gorakhpur or in all those areas of the country where handloom production is undertaken.

My third suggestion relates to marketing facilities. The official machinery will have to be geared up to the needs of the market. They will have to explore new markets and pay a reasonable price to the producers. All these things will have to be considered lest a Datta Samant strike should bring the whole textile policy to nought.

DR. DATTA SAMANT: Why does the name Datta Samant strike a discordant note in the hon. Member's heart?

SHRI MADAN PANDEY: Who said so? In fact I am praising the hon. Member.

I want to say a few things about the important role played by sericulture in the handloom sector. Shri Digvijaya Singh had also raised this point. I want to draw the attention of Shri Mirdha towards sericulture. He has been holding the charge of this Department for quite some time now. The two-tier development

programme for sericulture is succeeding only in Karnataka. We have no complaints about that. Research centres are functioning either in Mysore or Bangalore but work is going on at two levels. This means that the same work is being done by both the Central and State Government. The entire grant of Rs. 80 crores received from the World Bank is diverted for this purpose. Assam has the potential of becoming a big centre for a different variety of silk called 'Moonga' and, therefore, Government should pay attention to it. Similarly a centre can be established in the Adivasi area of Bihar. There is a potential for sericulture in the Terai region of Dehradun and Gorakhpur in Uttar Pradesh. I have written long letters about this. But these letters are processed in Bangalore. How can one know of the geography of Uttar Pradesh, the deserts of Rajasthan and Adivasi areas from a place as distant as Bangalore. The officials sit in Bangalore and reject the applications. They have a well furnished office in Bangalore. The Research Development Institute is located in Mysore and the official hope to take-up the development of Uttar Pradesh situated 3000 kilometres away by staying put in Bangalore. North India should also have centres on the lines of those in Bangalore. It will not make much of a difference if the Centre withdraws itself from the scene over there because the State Government itself has taken over this work. For this I want to congratulate the State Government.

I would like to tell Shri Mirdha that this work should now be undertaken in Uttar Pradesh, Rajasthan Bihar and Assam. A research institute and a Silk Board should be set up exclusively for Northern India. The Government should make such arrangements if India's silk needs are to be met. Our country produces 7000 tonnes of silk but the demand exceeds by several thousand tonnes. Banaras alone uses up 2000 tonnes silk while the production in the whole of Uttar Pradesh totals 23 tonnes. I have a humble request to make to the hon. Minister. If northern India is to be relieved of its dependence on China silk, then silk production in the area has to be expanded on a large scale. There is only one way to do this. Leave Karnataka in the hands of Balasubramaniam and

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open a full-fledged office in Delhi or Dehradun so that there is no need to fly 300 kilometres upto Bangalore. This is what I suggest.

If we are able to become self-reliant in the field of sericulture, it will save crores of rupees in foreign exchange being spent on procuring silk from China. This type of work has now started in Nhow also. Weavers in Azamgarh, Mhow and Gorakhpur are ready to adopt the concepts of promoted technology and alternative job that we are thinking of.

Demand for silk will increase not only in India but also in Europe and America because silk cloth is matchless and will continue to be so in future also. But supply of silk can never match its demand. Therefore, if my suggestion is accepted, all the existing problems will be solved. It will also curb Shri Datta Samant to some extent as he will find it harder to engineer a strike. As of now he is able to force a strike even when he is in the hospital. He becomes instrumental in getting workers like me thrown out of job and gets himself elected to Parliament. In future, he will have to look for other issues to be raised in Parliament because he will not have much to speak on strike, etc.

The community of textile workers should succeed in their endeavours. The problems of weavers should be solved and sericulture should be expanded in Northern India.

With regard to the sick mills, I want to make it clear that workers are aware of Shri Datta Samant and private mill-owners working against them. Funds from profitable enterprises are being used elsewhere. My suggestion with regard to sick industries is that no other industry should be set up on that land. For modernisation, it is essential that mill-owners are asked to remove scrap machinery. The Government has burdened the N.T.C. with the load of old and sick mills. To solve this problem all these mills should be considered as scrap and all obsolete machinery should be replaced by the latest machinery. After

having incurred losses to the tune of Rs. 1000 crores the Government should ignore Shri Datta Samant if he insists on investing more funds. Two or more textile units could be taken up for planned development every year. With these words I support these Demands.

SHRIMATI PATEL RAMABEN RAMJIBHAI MAVANI (Rajkot) : Mr. Deputy-Speaker, Sir, through you I want to say that even after giving so many concessions in our Textile Policy 131 mills around the country are lying closed. More than 30 mills are closed in Gujarat. Nearly 2 lakh textile workers in India, 45,000 of them in Gujarat, are sitting idle.

One of our colleagues said that a dying flame need not be extinguished but fed with oil to make it glow brighter. Rights of the workers should be given to them. What are the problems afflicting the textile industry? Labour leaders, experts and industrialists are unanimous in their opinion that the crux of the problem is smuggling of cloth. Rs. 3000 crores worth of foreign cloth is smuggled into the country. If this cloth is produced in India the production capacity in mills will increase by an additional 2000 crore metres. Four lakh textile workers will get a livelihood and six lakh textile workers will be engaged on powerlooms. Increased production will mean an increased income to the Government by way of taxes. The Government is unable to check this smuggling because cloth, especially polyesters, burdened with stiff excise duties.

For every kilo of polyester yarn, Rs. 5 is charged as excise duty in Pakistan. But in India, even after a 40% concession, excise duty is charged at Rs. 54 per kilo. This means that in comparison, excise duty on polyester yarn is 11 times higher in India than in Pakistan. So is the case with staple fibre. In Pakistan, the excise duty per kilo on staple fibre is less by Rs. 2. In India, the excise is Rs. 15 which is 7% higher than that of Pakistan. All these factors are an open invitation to smuggling. No other country levies such a higher rate of excise duty. In 1965, excise on polyester was only Rs. 3.50 in India. Today, it has shrouded to Rs. 54.

This leads to closure of mills and rendering of workers jobless which ultimately affects the country. The problem is so acute that people in Gujarat are even committing suicides.

Rs. 3000 crores of Indian money is flows into the foreign countries every year. If India follows the example of Pakistan restricting excise duty on polyester and staple fibre some income on yarn and fibre may be lost, but many more times would be the profits on processed cloth which will greatly benefit the Government. From saris to suitings, polyesters cost 35%-55% more than smuggled cloth. This is the present day scenario. Such a state of affairs exists even after Budgetary concessions on polyester and staple fibre.

It is a matter of regret that smuggling finds no mention in the Textile Policy. This matter needs serious thought. More than Rs. 3000 crores worth of synthetic cloth is smuggled into the country from Pakistan, Bangladesh, Nepal, Dubai, Singapore, Hongkong and Thailand.

On the 12th of March our hon. Minister visited Gandhinagar in Gujarat. Discussions were held with a delegation from I.N.T.U.C. The State Chief Minister was also present during the talks. Shri Rajiv Gandhi accepted the suggestions given by I.N.T.U.C. He said that in order to solve the problems of the textile industry, a committee would be formed comprising representatives from the labour unions, industry and the Government. I appeal to the hon. Minister to announce the formation of this committee in furtherance of the Textile Policy. I hope the hon. Minister will consider my suggestions. With these words I thank you.

SHRI PRAKASH V. PATIL (Sangli) : Mr. Deputy-Speaker, Sir, I support the Demands of the Ministry of Textiles. There are nearly 5 lakh powerlooms in Maharashtra. But they are not working at their full capacity as there is no work. The unorganised sector is suffering due to this Textile Policy. 50 per cent powerlooms are lying idle. 7.5 lakh workers who operate them have no work to do. Nearly 30 lakh people are dependent on these looms.

People working in the handloom sector do a lot of artistic work. This cloth has a heavy demand in the international market. In the absence of proper guidance, they are unable to produce quality cloth. Therefore, proper guidance to these people is a must. Today Japan and Korea export cloth to the tune of Rs. 13000 crores and Rs. 12500 crores respectively. Inspite of our country being rich in cotton production, we are able to export textiles worth not more than Rs. 2500 crores. Government organisations like the S.T.C. seem to ignore this problem. Greater attention on their part will increase the demand for this cloth necessitating an increase in production and employment of workers.

Our textile industry is passing through troubled times. Today, 13000 million metres of cloth is produced. The installed capacity is 30000 million metres, but only 46% of it is being used. Rest of the capacity is unutilised. There are many composite mills in Bombay and Ahmedabad which have powerlooms. I suggest that powerlooms in composite mills should be used to create self employment as has been done in the case of Maharashtra where powerlooms are creating self employment to a level exceeding 5 lakhs. There are approximately 2 lakh powerlooms with composite mills. Of them, 1 lakh 30 thousand workers are productively engaged and 70,000 powerlooms alongwith 40,000 workers are idle. The Government should give these powerlooms to these workers in order to create self-employment. These powerlooms should be used to produce cloth. The composite mills should concentrate on production of yarn, and the cloth which was to be produced in them should be left to powerlooms in the organised sector and the handloom sector. Production should be allocated to both sectors accordingly. This is what I would suggest. With these words I support the Demands of the Ministry of Textiles.

[English]

SHRI V. KRISHNA RAO (Chikbalapur) : Hon. Deputy Speaker, Sir, textiles is a very very important subject. So, I wanted to speak something about textiles. In South India, especially in my constituency, the biggest market is Doddaballapur,

[Shri V. Krishna Rao]

which is a famous textiles centre in India. There are 16,000 powerlooms there and they are facing lot of trouble in getting silk yarn for which there was a representation from the merchants' association even to the Prime Minister. Our hon. Minister also knows the difficulty in getting the yarn especially at this juncture, the yarn prices have gone up. In this respect they have requested for the supply of imported China silk also to produce sarees. Powerloom people are facing great difficulty in finding the market. Now the Government has put control over the small powerloom holders having two or three powerlooms, just as they have done in the case of handlooms. They are producing medium size of sarees which are useful only for the middle class people. The Government has put some control on them. The small powerloom holders are required to mix 25 per cent of *zari* to the sarees, which they are finding very difficult. They want hundred per cent pure silk sarees to be produced. These small powerloom holders have requested the Government to give them permission to produce silk sarees in the range of Rs. 300 to Rs. 400, for the middle-class people so that these sarees can be used by small and middle-class people, by farmers and by business people also. The handloom sarees worth Rs.

1,000, Rs. 1,500 or even Rs. 2,000 will be purchased only by the so-called big people.

18.00 hrs

But the small and middle class people will not be in a position to purchase the costly silk saris. They cannot afford to purchase these costly saris. Therefore, Sir, cheap saris could be produced by the small powerloom sector. In my constituency, they have started small powerlooms and they will produce these silk saris at cheaper cost so that the small and middle class people can afford to buy these saris. I would therefore request the hon. Minister, through you, Sir, that he may consider to give them permission to produce saris 100% as the handloom weavers could not produce these silk saris at cheaper cost. The small and middle class people can afford to buy these silk saris only when it is within their reach. I hope that the hon. Minister would kindly consider my request and arrange to issue orders for 100% production of silk saris by the powerloom sector. Thank you.

18.02 hrs

*The Lok Sabha then adjourned till
Eleven of the Clock on Tuesday,
April 5, 1988/Chaitra 16, 1910
(Saka)*