

on the Government to lift the ban immediately and provide the youth of our country, in the International Youth Year, the existing opportunities for employment.

[Translation]

- (ix) Need to provide special assistance to Rajasthan for installing hand pumps to meet drought and drinking water scarcity in the State

PROF. NIRMALA KUMARI SHAKTAWAT (Chittorgarh) : Mr. Deputy Speaker, Sir, Under rule 377, I want to draw the attention of Government to an important matter, i.e., severe drought conditions in Rajasthan. The entire State of Rajasthan is in the grip of a severe drought. Apart from reeling under the famine, Chittorgarh district of South Rajasthan is passing through a severe crisis of drinking water. The summer has not yet set in, still the people are abandoning their villages in search of water. The rivers, riverlets, and ponds have all dried up. Therefore, I urge the Central Government to provide special assistance to famine in Rajasthan to ease the situation of and arrange to instal more and more hand pumps immediately to provide water, particularly in district Chittorgarh of South Rajasthan, otherwise, it will be difficult to save the cattle as well as human beings.

- (x) Need to permit shopkeepers of Dharampura on Kalka-Simla National Highway to carry on their business till new shops are constructed for them

SHRI K.D. SULTANPURI (Simla) : Mr. Deputy Speaker, Sir, with your permission I want to draw the attention of the Government under rule 377 to the widening of the National Highway from Kalka to Simla on which huge funds are being spent by the Central Government. Due to this, the shopkeepers at Dharampur, Kumar Hatti and other places on that highway, who have been running these shops for generations are facing great difficulty and are feeling helpless as their shops have come in the highway. Government have also given them small compensations which they have accepted after making protest and now they are knocking at the doors of the court so that they are not deprived of their business. About 500

people are facing the risk of losing their business in Dharampur, the centre of Solan district. In view of their genuine problems, I demand that the Central Government should arrange to allot them separate land (from the State Government) for running their business and they may be allowed to carry on business in their shops till such time as new shops are constructed for them, so that they may not experience difficulty in carrying on their profession.

I hope the concerned Ministry will take immediate action in this regard and will meet the demand of the people.

12.35 hrs.

# DEMANDS FOR GRANTS (GENERAL), 1985-86—Contd.

## Ministry of Commerce and Supply\*

[English]

MR. DEPUTY SPEAKER : The House will now take up discussion and voting on Demands Nos. 10 to 13 relating to the Ministry of Commerce and Supply for which six hours have been allotted.

Hon. Members present in the House whose cut motions to the Demands for Grants have been circulated may, if they desire to move their cut motions, send slips to the Table within 15 minutes indicating the serial numbers of the cut motions they would like to move.

A list showing the serial numbers of cut motions treated as moved will be put up on the Notice Board shortly. In case any 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

\*Moved with the recommendation of the President.

Consolidated Fund of India to complete the sums necessary to defray the charges that will come in course of payment during the year ending 31st day of May, 1986 in respect of

the heads of Demands entered in the second column thereof against Demand Nos. 10 to 13 relating to the Ministry of Commerce and Supply."

**Demands for grants for 1985-86 in respect of the Ministry of Commerce and Supply submitted to the vote of Lok Sabha**

No. of Demand	Name of Demand	Amount of Demand for Grant on account voted by the House on 25th March, 1985		Amount of Demand for Grant submitted to the vote of the House	
		Revenue	Capital	Revenue	Capital
		Rs.	Rs.	Rs.	Rs.
<b>MINISTRY OF COMMERCE AND SUPPLY</b>					
10.	Ministry of Commerce and Supply	57,33,000	...	2,86,69,000	...
11.	Foreign Trade and Export Production	1,35,87,38,000	18,20,58,000	6,85,97,69,000	91,52,93,000
12.	Textiles, Handloom and Handicrafts	43,75,32,000	36,62,97,000	2,19,86,63,000	1,83,14,85,000
13.	Supplies and Disposals	2,54,05,000	...	12,70,28,000	...

**ME. DEPUTY SPEAKER :** Now, Shri Srihari Rao.

[Translation]

\*SHRI SRIHARI RAO (Rajamundry) : Mr. Deputy Speaker, Sir, the Ministry of Commerce and Supply is one of the most important Ministries. It has got a special significance, for it is directly connected with the progress of the country. The economy of the country can be sound only when the Commerce and Trade are sound.

\*The speech was originally delivered in Telugu.

Trade in turn depends upon the import and export policy that we pursue. So, the import and export policy must be sound and steady. It must contribute to the growth of economy. The policy must be such that it should accelerate our exports and reduce imports. But, unfortunately what we see today is quite different. The exports are plummeting on the one hand and the imports are shooting upon the other. If we have a comfortable balance of payments position today, it is only due to the remittances made by the Indians abroad. Our exports earnings are much less and not enough to meet the import bill. Now we must try hard to retrieve the situation. Concerted efforts must be made to increase our exports.

Sir, there is no dearth of resources in the country. By harnessing properly these resources, we can make a rapid progress. We have plenty of man-power. But we are not making use of this man-power in order to produce more. This man-power must be made use of properly to produce the goods which have a foreign market. Then efforts should be made to export these items to foreign countries. This way we can earn a lot of foreign exchange. So, steps must be taken to encourage the best utilisation of man-power for increasing the production and exports of the country.

Our exports and imports during the last two years were :

(Rs. in crores)

	Imports	Exports	Deficit
1982-83	14355.76	8902.25	5448
1983-84	15762.95	9867.51	5895
1984-85	11746.1	8146.2	3600
(upto December)			

Sir, the Government are offering certain incentives to encourage the exports. These incentives are a cash subsidy of 10 per cent, excise rebate and import replenishments. But these incentives are not adequate enough.

There should be many more to attract the exporters in the country. The incentives offered should be more rational. Every item should be considered individually and subsidies be allowed liberally in respect of the items which face a tough competition in foreign markets so that they are available to our foreign customers at a reasonable price. The ten per cent subsidy is not enough. It should be atleast 25 per cent and vary from item to item. In Japan, the subsidy goes upto 50 per cent. So I request the Hon. Minister to restructure the incentive of offering subsidy on exportable goods.

Sir, the present policy of exporting raw materials is not good and be done away with atonce. Instead of exporting raw materials which can fetch us only the nominal foreign exchange, we should make efforts to export finished goods. By

exporting industrial goods and other value added goods we can earn much more foreign exchange. Though the amount of foreign exchange earned through export of raw materials will be meagre. Hence the time has come to change our policy of exporting raw materials. Just to cite one instance, Coir is being exported to Japan from Kakinada port. And we are importing brushes from the country. What we are getting from export of Coir is hardly sufficient to meet the bill of import. If we manufacture brushes here itself by using our man-power, we can not only dispense with import of brushes but also we can export this item and earn very precious foreign exchange. This is only an example. Hence efforts must be made to export finished goods and value added goods rather than the raw material.

Sir, I welcome the recent decision of the government to decanalise several items and placing them on the Open General Licence. It is a good step. Now the exporters can directly import the items which are required for producing export-oriented goods. They need not depend on the middle men anymore now. It is an encouraging step. But Sir, there are many more items which can be brought under OGL. I hope the Hon. Minister will take necessary steps to add them to the OGL list.

There is a welcome change in the policy of the government in making the export policy applicable for 3 years. Earlier, after every 6 months there was a change in the export policy. As a result of it illegal transactions used to take place. The unscrupulous traders used to hoard the imported material and earn several crores of rupees. As a sequence, even the cost of production used to go up. On certain other occasions when the policy changed the exporters used to incur losses. Now that is a thing of the past. Since the export policy will be in operation for three years, it will contribute to ensuring continuity and stability in the foreign trade. It will certainly contribute to the growth of exports. Now exporters can also think of importing the required quantity of raw materials for producing the exportable goods without any fear of incurring losses.

Sir, the goods which are cent per cent export oriented are allowed to be sold in the domestic market upto 25 per cent of

[Shri Srihari Rao]

total production after paying the customs duty. Paying customs duty on the goods manufactured indigenously for selling in the domestic market is something unimaginable. So I request the Hon. Minister to do away with the imposition of customs duty on export oriented items when they are sold in the domestic market.

Sir, the Free Trade Zones are functioning well in the country. Madras, Cochin, Falte and Noida were added to Kandla and Santacruz which were functioning earlier. Without exception all these are doing well. Sir I appeal to Hon'ble Minister to declare Visakhapatnam a Free Trade Zone. Vizag is very fast emerging as one of the foremost industrial centres in the country today. In addition to Hindustan Shipyard, there are several other public sector undertakings and private industries located in Vizag. It is a peaceful industrial area. There are no industrial disputes. So, in all respects it is entitled to be a Free Trade Zone. As it happens to be a port city, it has got an added advantage. It will also help our exports considerably. Let us remember that a Free Trade Zone near the Coast is more advantageous than other places. A port city will certainly contribute much more than other places in the increase of foreign trade. Facilities to export to other countries will be available. The Government of Andhra Pradesh had already recommended it and requested the Union Government to declare Vizag as a Free Trade Zone. But it is our misfortune that the Union Government has not taken any decision on it so far. It is high time that Vizag is declared as a Trade Free Zone. I hope the Hon'ble Minister will, without any further delay, declare Vizag as a Free Trade Zone.

Sir, I want to say a word about our participation in International Trade Fairs. During 1984-85, we have participated in about 38 Fairs abroad and organised 3 fairs on our own. Goods worth nearly 31 lakhs of rupees were sold. Orders worth Rupees 257 crores were booked and negotiations are under way for another 480 crores of rupees. Despite all this, our performances has not been that much productive. One main reason why we are not able to transact much business during the fairs is that we are giving much too prominence to cultural activities rather than business. We are more interested in depicting

the culture of one part or the other of the country rather than the goods we produce which may find a market in the best country and other participating countries. Business must be our aim, not cultural programme. I hope the Government will take note of this point. This should be no other business except business. You should constitute in committee and send it to those countries in order to access the market there. The goods that can be exported to these countries must be decided. After identifying items for export the Government should come forward to encourage the exporters in the country to export these items. At present only a few influential people are managing to export their items. It should not be so. The condition must be such that any manufacturer, big or small, must be in a position to export his goods without any hindrance. To create such an atmosphere, it is necessary that there should be excise Rebate on exportable goods. Only then the goods can be offered to foreign buyers at a competitive price. This will enhance our exports. The country will prosper.

Mr. Deputy Speaker, Andhra Pradesh is the first and foremost State in the country which produces staple and long Staple Cotton. But it is surprising to note that only States like Maharashtra and Gujarat are being allowed to export cotton to other countries. After much persuasion the Government has permitted the export of 17,000 bales of cotton from the State. I welcome this gesture of the centre. But, sir, this is too small a quantity for a State which stands first in the production of quality cotton. Hence I demand that the export quota should be raised to atleast one lakh bales from the present level of 17,000 bales. I hope, the Government would agree to this.

On the plea that the wheat is rotting in our godowns, the Government of India have taken a decision recently to export wheat to other countries. Well, I welcome the decision. But this decision of the Government helps the farmers of North India only. Like wheat, we have got large stocks of rice in our godowns. Lakhs of tonnes of rice is rotting in our godowns. Why not export rice also in order to save the situation? Why our export should confine to Basmati rice alone? Sir, the Government must allow the export of fine and Superfine rice alongwith Basmati. This

decision will help the entire farming Community irrespective of the region to which they belong. It can fetch us precious Foreign exchange also.

Sir, there is a good demand for mango pulp produced in the country. The Government should encourage the export of Mango pulp. Now the exporters of this item are finding it too costly an item to export. The container charges are very high. Hence, steps must be taken to reduce container charges by offering concessional rates and to export this item in much bigger containers. If this is done, it will boost the export of mango pulp.

Edible oils worth Rs. 1500 crores are being imported every year. 65% of the imported oil is being allotted to the Vanaspati manufacturers neglecting the indigenous products. This is unfair. During the last-general election 95% of the imported oil was given to the Vanaspati manufacturers in return for the large sum the ruling Party has received for its party funds. Crores of rupees were collected for party funds in this manner. This is quite unfair. Please put a stop to the import of edible oils. Encourage the local manufacturers who produce edible oils. This is an urgent necessity.

Sir, molasses are being exported without any rhyme or reason. Because of total export of the item, the alcohol production in the country has suffered very badly. Now there is a scarcity of alcohol. It appears that you have no definite plan as to what to export and how much to export. The export of the items should be such that there should not be any scarcity of those items in domestic market. So, the irrational export of molasses should be discontinued.

Speaking about our trade with Communist countries, Sir, I am sorry to say that it is totally in the hands of certain individuals. No individual should be allowed to have direct trade links with the communist countries. The foreign trade with Communist countries should be on Government to Government basis. Then only you can do justice to all who are engaged in the business. It will help our foreign trade as a whole. So I request the Minister to enter into trade agreements with communist countries only on Government to Government basis.

Sir, the growth of exports is very much necessary for the growth of our economy. All possible measures should be taken to encourage the people to export more by offering them more concessions. The Freight charges etc. must be reasonable. Subsidies offered must be rational basis. In stead of flat rates, they should vary from item to item depending on the quality and competition. The present cash subsidy of 10% excise rebate and import replenishments are not sufficient enough. All the necessary steps should be taken to create ideal conditions where export trade can flourish.

Sir, our Hon. Commerce Minister is an honest and efficient administrator. Of course he is not present in the House at the moment. He is known for his sincerity. Our Hon. Prime Minister, Rajivji, wants to take the country to 21st century. For ushering the nation into 21st Century you have a new approach. Every policy has to be framed with that ideal in mind. Our export policy is one such policy. I hope the Hon. Commerce Minister would show enough statesmanship in framing our future policies.

Sir, I conclude my speech by thanking you for giving the opportunity to initiate the debate on the Demands for Grants of this vital Ministry.

[English]

SHRI K. RAMACHANDRA REDDY  
(Hindupur) : I beg to move :

"That the Demand under the Head Ministry of Commerce and Supply be reduced by Rs. 100."

[Need to supply cloth to the poor at subsidised rates.] (2)

SHRIMATI GEETA MUKHERJEE  
(Panskura) : I beg to move :

"That the Demand under the Head Ministry of Commerce and Supply be reduced by Rs. 100."

[Need to sponsor adequate number of UDCS belonging to CSCS cadre of the Department of Supply to Institute of Secretarial Training and Management for cash and accountancy training.] (28)

"That the Demand under the Head Ministry of Commerce and Supply be reduced by Rs. 100."

[Need to sponsor adequate number of Assistants belonging to CSS cadre of the Department of Supply for various training courses meant for them conducted by IST and M.] (29)

"That the Demand under the Head Ministry of Commerce and Supply be reduced by Rs. 100."

[Need to sponsor Section Officers belonging to the Department of Supply cadre for training of the IST and M.] (30)

"That the Demand under the Head Ministry of Commerce and Supply be reduced by Rs. 100."

[Need to give un-filled vacancies belonging to the Direct Recruit Assistants quota to the Select List Assistants of the Department of Supply.] (31)

"That the Demand under the Head Ministry of Commerce and Supply be reduced by Rs. 100."

[Need to give *ad hoc* promotion to LDCs to the post of UDCs in the Department of Supply till regular candidates are made available by the Department of Personnel and Administrative Reforms.] (32)

"That the Demand under the Head Ministry of Commerce and Supply be reduced by Rs. 100."

[Need to publish seniority lists of CSCS/CSS/CSSS cadres of all grades of the Department of Supply every year.] (33)

"That the Demand under the Head Ministry of Commerce and Supply be reduced by Rs. 100."

[Need to promote Grade 'D' Stenographers of CSSS who have completed 10 years of service in the grade of to Grade 'C' in the Department of Supply.] (33)

"That the Demand under the Head Supplies and Disposals be reduced by Rs. 100."

[Need to accept the demands submitted by the Unions/Associations on 7.4.85.] (35)

"That the Demand under the Head Supplies and Disposals be reduced by Rs. 100."

[Need to provide adequate number of room coolers to the non-gazetted staff in DGS and D (Hq.).] (36)

"That the Demand under the Head Supplies and Disposals be reduced by Rs. 100."

[Need to maintain cleanliness and hygienic conditions in the office of DGS and D (Hq.).] (37)

"That the Demand under the Head Supplies and Disposals be reduced by Rs. 100."

[Need to provide to the employees of DGS and D (Hq.) GPF statements regularly and redress employees grievances in regard to missing credits.] (38)

"That the Demand under the Head Supplies and Disposals be reduced by Rs. 100."

[Need to make proper arrangements for drinking water for the staff of DGS and D (Hq.) especially during summer season.] (39)

"That the Demand under the Head Supplies and Disposals be reduced by Rs. 100."

[Need to avoid interference in the day to day activities of the recognised Unions/Associations represented on the Office Council (JCM).] (40)

"That the Demand under the Head Supplies and Disposals be reduced by Rs. 100."

[Need to shift the Office of the Controller of Accounts attached to the Department of Supply to same premises where DGS & D office is located as demanded by Staff Union.] (41)

"That the Demand under the Head Supplies and Disposals be reduced by Rs. 100."

[Need to promote Scheduled Caste/Schedule Tribe employees against vacancies reserved for them in various grades in DGS and D (Hq.).] (42)

"That the Demand under the Head Supplies and Disposals be reduced by Rs. 100."

[Need to provide new furniture to the non-gazetted staff in DGS and D (Hq.)]  
(43)

"That the Demand under the Head Supplies and Disposals be reduced by Rs. 100."

[Need for revision of the pay scales of Draughtsmen working in DGS and D (Hq.)] (44)

"That the Demand under the Head Supplies and Disposals be reduced by Rs. 100."

[Need for filling vacant posts in various grades including the grade of Junior Progress Officers in DGS and D (Hq.)]  
(45)

"That the Demand under the Head Supplies and Disposals be reduced by Rs. 100."

[Need to regularise services of employees working in Management Information Service Directorate on *ad-hoc* basis for more than 10 years in Directorate General of Supplies and Disposals (Hq.)] (46)

"That the Demand under the Head Supplies and Disposals be reduced by Rs. 100."

[Need to regularise the services of JPOs working on *ad-hoc* basis in DGS and D (Hq.)] (47)

MR. DEPUTY SPEAKER : The cut motions also are before the House.

Now, Shri Shyam Lal Yadav.

[Translation]

SHRI SHYAM LAL YADAV (Varanasi) : Mr. Deputy Speaker, Sir, while supporting the Demands for Grants of the Ministry of Commerce and Supply, I would like to make some submissions. This department has many functions, such as commerce and trade, export and export promotion, organisation of foreign trade, its development and control. All these, functions are supervised by this Ministry. We produce many crops, commodities etc., such as, tea, coffee, rubber, cardamom, marine products

and other such items. Export and supervision of export of these commodities is also looked after by this Ministry. It also conducts inspections to ensure quality exports and also works for export promotion.

On this occasion, I, particularly, want to congratulate the Hon. Prime Minister who has taken out textiles from the Commerce Ministry and has set up an independent Textiles Ministry. The Ministry of Textiles was entrusted to a very competent and experienced man not at the time of the presentation of the Budget, but later on. The Textiles Ministry concerns one and all in the country, because every one wears clothes. Whoever takes birth makes use of cloth right from birth till death. From this point of view, this Ministry is very important. It is also an indicator of the fact that the Hon. Prime Minister realised its importance and that is why he has set up a separate Ministry, because crores of people find employment in the mills attached to the Textiles Ministry, whether they be textiles mills or handlooms, or power looms, and earn their livelihood and everybody gets immense benefits from it. Therefore, Sir, today I want to say a few things, particularly, concerning the Textiles Ministry, because in the time, allotted to me, I shall not be able to raise issues concerning all departments and express my views thereon.

13.00 hrs.

First of all I would like to say that the city of Varanasi to which I belong and which I have the privilege to represent is famous for its silk industry and readymade silk garments not only in the country but also abroad. Thousands of families are engaged there in this industry. The silk industry is linked with the lives of the people of our city. Its biggest problem is that of silk yarn. We do not produce silk yarn here. Most of the silk yarn is produced in Karnataka. Efforts have been made recently in Dehradun and its neighbourer areas in Uttar Pradesh to produce cocoons, but at present this work is going on a small scale. Most of the silk is produced in Karnataka and we get our supplies from there. Every month, about 25 tonnes of silk come from Karnataka and 25 tonnes are imported.

But the policy of the Government of Karnataka is such that only a very small

[Shri Shyam Lal Yadav]

quantity of silk yarn is supplied to our city from their own production and sometimes even the imports are not up to the required quantity, as a result of which the price of silk yarn rises sky high. A few days back, the price of silk yarn was Rs. 400 per kilogram but today the price of silk yarn in our city ranges between Rs. 600 and Rs. 650 per Kg. and that of good quality silk yarn is Rs. 700 per Kg. and the apprehension is that the price will go on increasing unabated. The same situation had arisen two to three years back as well when the price of silk yarn had risen to Rs. 800 per Kg. and a situation of serious crises had arisen in our city. A similar crisis has arisen these days also, unemployment is increasing and looms cannot be worked if silk is purchased at this exorbitant price and these looms are facing the risk of being closed down. There will be no market for the cloth thus produced. Three years ago, when such a crisis had arisen, the then Commerce Minister had imported silk yarn after holding consultations at the Central level and the prices had crashed within two months and they continued to fall continuously thereafter.

Our Central Silk Board is looking after this work, but I am very sorry to say that the Central Silk Board has lost its All India character. It caters to the silk requirements of only one or two States and formulates its policy accordingly and thus our State is kept out of the purview of its policies. Therefore, my suggestion in this regard is that a Silk Bank should be set up. This is not my suggestion alone, but our Association of Banarsi Saree manufacturers and the Banarsi Cloth Industry and its other office beares also have the same views. They have written to Government and I have sent a letter along with their representation stating that the need of the hour is for the setting up of a Silk Bank either by the All India Handloom Board or by Government which should procure and store the silk produced in the country including the imported silk. A depot should also be opened in our city which should sell silk direct to the craftsmen and the producers so that the middlemen could be eliminated. If we are unable to make such an arrangement, I am afraid gradually, this industry will face a deeper crisis. The sarees and silk produced in Varanasi are not only sold within the country but are also exported. Therefore, I

would request the Hon. Minister to pay immediate attention to it and arrange to make the silk yarn available there by whatever means possible. If need be, he should go in for import of silk yarn, so that its price is kept under check. I do not say that the silk yarn should be sold on regular basis, but we should create a buffer stock and if the price in the market is reasonable, the silk may be allowed to be sold in the normal course, but as soon as the price of silk yarn tends to rise, you should start selling silk from the buffer stock so as to check the price rise. As at present, replenishment licence is issued against the finished goods exported and silk yarn is imported against that licence. There are instances where advance licences were issued to the people taking into account their past exports. They all import silk yarn and hoard it and, thus, raise the price in the market by creating an artificial scarcity and start selling the hoarded stock on which Government have no control. Therefore, my suggestion is that Government should import silk yarn and set up a Silk Bank. If there is any likelihood of delay in setting up such a bank, Government should procure silk yarn through other means so as to bring its price down. A delegation from Varanasi was scheduled to arrive here, but their trip did not materialize. Therefore, I would submit that our requirement would be met only when we are supplied with silk yarn of the required quality and quantity. Only then, we would be able to produce silk textiles in the required quantity and export it.

One thing, I would like to say about handlooms, crores of people are engaged in the handlooms in the country. Six thousand million metres of cloth should have been produced in the handloom sector in the country but only 3 thousand million metres are produced in handloom sector. There are 50 lakh handlooms in the country, but they are also facing a big crisis. Particularly, in our Uttar Pradesh, there is hardly any village or town of importance where the weavers do not live. The economy of our Uttar Pradesh and Bihar is based on these handloom weavers. Government should pay special attention to them. I hope, special priority will be given to this sector in the new textile policy, now under formulation.

Sir, there has been a long standing demand that certain varieties of cloth should



be reserved only for the handloom sector and they should not be allowed to be produced through powerlooms. Handlooms cannot stand the tough competition being offered by the mills and powerlooms. Therefore, there is a need to reserve some varieties of cloth exclusively for handlooms which should not be allowed to be produced either in the powerloom sector or in the mills. It is necessary to do so even from the point of view of the internal market.

The cloth produced in the handloom sector and on powerlooms should also be exported. Even synthetic fabric can be used in the powerlooms. It will be better if they use it. Therefore, my suggestion is that proper supply of necessary inputs should be ensured to the weavers of handlooms so that they may not face shortage of yarn etc. Due to shortage of yarn, its price goes on increasing and the people are unable to get it at reasonable prices when the prices of yarn rise, middlemen take advantage of it. You have set up co-operatives but, I feel, even co-operatives have not been successful in this field. Government should supply yarn direct to the weavers and, thus, the middlemen should be eliminated. Arrangement should also be made to provide loans to the weavers.

One thing, I would like to say about marketing. As long as proper marketing facilities are not provided for the handloom cloth, it cannot be sold. Lakhs of metres of cloth are lying in the godowns of the Handloom Corporation. It is not being sold. This is a big crisis being faced by the handloom sector in the country. I want that the Hon. Minister should make some special arrangement in this regard so as to steer the handloom industry out of the marketing crisis. Otherwise, the handloom weavers will not get any benefit.

You give rebate on handloom cloth only for 60 days in a year' But I think, if you allow rebate throughout the year, the stocks which are piling up in the godowns can be sold out.

You had promised in the Sixth Five Year Plan, as also now in the Seventh Plan, that houses will be provided to the weavers. As the population in the cities is increasing,

there is no land for them to live in. Therefore, special colonies should be constructed to rehabilitate them. The Department of Textiles and the Government of India should make special arrangements to built up such colonies, and they should get money for the construction of houses.

In the end, I would like to say only this much that certain varieties of cloth should be reserved for the handlooms. The competition in textiles has become so tough that it has become very difficult for the handlooms to stand competition with the powerlooms. In this connection, a study group was set up in U.P. which had given some suggestions. I would like to quote some of its suggestions :

[English]

“The group in its report further observed that the handloom sector is successfully producing the following varieties of cloth and proposed that these be reserved for exclusive production in this sector : Gaddah cloth—minimum three varieties. Dhotis and Sarees in certain varieties. Lungies—cotton and staple both. Tapestry bed sheets in certain varieties. Durries. Pile carpet Durries. Jacquard bed covers. All types of fabrics using fancy yarn (except synthetic fancy yarn) and Terry towels and Gamchhas.”

**[Translations]**

There all such items as can be reserved for the handloom sector. In the end, I would like to say in brief two things concerning this department. Thus department has two offices of the custodian of Enemy Property in Bombay and Calcutta. I had a chance to see this office in connection with the property of a veteran Journalist. About 35,000 to 40,000 applications are pending in this office and it will take over two decades to clear them. The majority of the persons likely to be benefited from this have crossed 50 to 60 years of age. Therefore, you should make an immediate arrangement to dispose of this work expeditiously. The cases pending with custodian of Enemy Property should be quickly disposed of and some time-limit should be prescribed for this purpose.

[Shri Shyam Lal Yadav]

With these words, I support the Demands for Grants and thank you for giving me an opportunity to speak.

[English]

SHRI R. PRABHU (Nilgiris) : Mr. Chairman, Sir, I rise to support the Demands for Grants brought before this august House by the Hon. Minister. India's share in international trade has been coming down year by year and in 1970 our percentage of world trade was only .65 per cent and even today the percentage is less than .5 per cent. This is even low compared to countries like Malaysia, Singapore, Hong Kong, Thailand and South Korea.

In my home State of Tamil Nadu question is often asked why India is not able to perform like the South East Asian countries in the export performance. This question can be easily answered but I do not know how much remedial action can be taken.

There are two powerful political blocs in this world. One led by USA-Japan and the other by USSR-East European countries. India, as a tradition, follows foreign policy of non-alignment. We have scrupulously ensured a neutral stance as between the super-powers and have a dynamic interaction with both the super powers with equal felicity without becoming a client State of either of the super-powers. We have developed export business with USSR and the East European countries. I would like to quote some figures. Our external trade with this bloc has been increasing year after year and in 1970-71 there were exports worth Rs. 304 crores and imports worth Rs. 238 crores. In 1983-84 we have exports of Rs. 1563 crores and imports worth Rs. 2392 crores. Our trade relationship with this bloc is excellent and we have been exporting traditional goods like coffee, tea, textiles, leather, woollen goods and also non-traditional items like engineering goods and even foodgrains. We have evolved a strategy of rupee payments in our dealings with the East European countries and this has insulated us from the fluctuations in the high value of the US dollar. On the other hand, Sir, with regard to the western OECD countries we have not been able to increase our exports. Here also I would like to quote some figures just to make my point. In 1970-71 our

exports have been Rs. 769 crores and imports have been Rs. 1042 crores. And in 1983-84 exports have been Rs. 3462 crores and the imports have been Rs. 8099 crores. Frankly speaking we have not been able to establish the same commercial relationship with the western bloc and USA as the smaller south eastern countries have been able to. We are all aware that USA is a discriminatory buyer and have a large purchasing power and they use this purchasing power as an instrument of foreign policy. It is common knowledge that USA has economic and defence interests in all these Asian countries like South Korea, Singapore Malaysia, etc. It is in these circumstances of favourable treatment by USA that these countries are able to export so much. In their economic performance they should be treated as outposts of USA and as their client States. It is these basic constraints in our foreign policy which have to be taken into account in judging our export performance.

It is in this connection that our developing relationships with nonaligned countries and South South cooperation becomes very important. As you know Sir, the world can be divided into four categories : (1) Countries which are economically sound and technologically also very sound (2) Countries which are not so affluent but technologically very sound in which we come. (3) Countries which are economically sound and technologically not so sound, like the Arab countries, and (4) Certain third world countries which are weak both economically and technologically.

Sir, most of the South countries are not as well developed as we are in high technology or spheres of industrial development but they have enough petro dollars to pay for imports. Further, Sir, India has a vast technical manpower and we are in a position to export our manpower and also do turn key projects both in construction and engineering industries. Sir, as a result of our adherence to south south cooperation we can at the same time develop underdeveloped countries and also develop great bilateral trade relationship with them. This is particularly relevant when we take into consideration that the South American and Latin American countries are big untapped markets and we could look forward to fruitful cooperation with these countries especially in the areas of

farming agriculture and probably turn key industrial projects also. Our non aligned stand and promotion of South South co-operation would offset any lack of trade with American and we have to develop our exports taking into account these basic constraints in our foreign policy. Our total exports in 1983-84 are Rs. 9868 crores. The total imports are Rs. 15,763 crores. There is a balance of trade deficit of nearly Rs. 6000 crores. The actual figure is Rs. 5996 crores. So all steps have to be taken to reduce this trade deficit and to boost our exports. In this connection I welcome our Hon. Finance and Commerce Minister's statement when he has given a policy statement on imports and exports also. This policy confirms to the policy of continuity and change ushered in by our Hon. young and dynamic Prime Minister after he has taken office. This import and export policy statement is not only an exercise in shifting some items from one category of licensing to the other category of licensing, but it has abroad conceptualisation over a longer time frame to enable the industry to formulate their own internal policies in consonance with Government policies. That is why the policy statement covers a period of three years instead of the usual annual ritual. We can see the same trend in the Finance Minister's budget speech where he has emphasised the need for long term fiscal policy. Particularly praiseworthy is the procedural simplicity evolved in the new export-import policies especially the ease with which the raw material can be imported by actual users and introduction of the import-export pass book scheme.

I request the Hon. Finance Minister who has taken a keen interest in the electronic data processing to put this pass book Scheme on computer-based information systems, so that things could be done quickly and old files do not have to be traced and long time taken. I only wish that the business community reciprocates the chance given to them and introduces a higher sense of integrity in their dealings in export import trade. In fact the existing relationship of government and the business community has gone into a mutual distrust, complaints syndrome which should be replaced by one of help and guidance that characterises the economic regulation of Japan which is the fastest growing Asian country. Japan has made history in its export promotion drive. But perhaps what is not

known about Japan is that Japan has a highly regulated internal economy. In fact a close look at the Japanese system clearly brings us how the Ministry of International Trade and Industry performs a development role in Japanese business. It acts as a guide in directing the Japanese industry.

I would request the Hon. Minister to see that the Ministry of Commerce also develops on a similar pattern as Ministry of International Trade and Industry and help boost our exports.

Sir, every speech made by an Hon. Member of Parliament would not be complete unless he touches his constituency. My constituency, that is, Nilgiris in Tamil Nadu, has large tea estates. In fact, the tea exports in 1983-84 had been worth over Rs. 501 crores, India's market share of world trade in tea is 28.61% which is the highest compared to any other commodity. What is probably not known very much about tea industry is that tea industry is a highly employment generating industry where nearly one million people work in tea industry. In my constituency alone one lakh people work in this industry. From the social economic point of view, a large number of women are employed in this industry and nearly 50% of of the labour engaged in this industry are women. Our beloved late Prime Minister Shrimati Indira Gandhi had declared in 1971 that equal wage for both men and women labour in tea industry should be given. The tea industry has made a lot of profit and it is going to be given a boost just now because the support it has from the Government and also the Finance Minister in his recent budget speech has given some more concessions in terms of loan, etc. for rejuvenating the tea industry. Unfortunately, the fact remains that in the tea industry, the labour is very poorly paid and their conditions of working are miserable. The average production per worker in tea industry is 900 Kgs. per annum which in terms of money is around Rs. 27,000. The tea Industry pays Rs. 4800 per worker per annum while the public sector undertaking pays an average of Rs. 20,000 per worker per annum. In my neighbouring district, that is, Coimbatore, the textile worker gets Rs. 40 per day as wages whereas the labour in tea industry gets less than Rs. 15 per day. Therefore, Sir, there is a definite need to improve

[Shri R. Prabhu]

the wage system in different industries in the country. I would request the Hon. Minister kindly to see whether he could fix a higher minimum wage for the worker in the tea industry and also improve the working conditions of the labour. This should be done especially for tea estates worth more than Rs. 10 crores. Thank you.

[Translation]

SHRI LALIT MAKEN (South Delhi) : Mr. Chairman, Sir, the Textile Industry in the entire country is in a very bad plight. Whether it be Delhi or Ahmedabad or Bombay, everywhere it is seen that the textile mills are either closing down or are under lookouts. Thousands of workers are being retrenched. Therefore, it is very necessary today that Government gives thought to it and go deep into the causes why the textile industry, which is the oldest industry in India and which, I think, has helped the big industrialists of the country earn crores of rupees and set up other big industries, is itself passing through a delicate phase at this juncture.

So, far as I notice, — I have tried to go into its cause—the biggest cause which I could see is that we have small weavers in the country, who have set up 10 to 25 looms in their houses or sheds and produce very cheap cloth on those handlooms, as a result of which no mill owner is prepared to manufacture cloth in his mill today. As the policy of Government is to give more and more concessions to the handloom weavers, a very small excise duty has been levied on them. As a result of it, cloth can be manufactured so cheap on these looms that the same cloth cannot be manufactured by the big textile mills at that price. That is why the textile mill owners are interested only in manufacturing cotton and cotton yarn but not cloth.

There is a textile mill in the heart of Delhi named 'Birla Mill'. Cloth is not being manufactured there for the last three years. You will be surprised to know that the name of this mill is textile mill but not a single metre of cloth has been manufactured there for the last three years. The weaving development has been closed down, the machines have also been closed but the spinning department which produces yarn and cotton is function-

ing. The cotton is sold in the market as it fetches a good price and high profit. If the cloth manufactured by the handloom weavers at a very low cost is manufactured in the textile mill, it will cost more and, therefore, the mills are not prepared to manufacture cloth. Therefore, what they do is that they buy the cloth, manufactured by the handloom weavers for their mills and put the stamps of their mills on it and sell it in the market after dyeing. Thus, the handloom weavers and textile mills both are facing a great difficulty at present.

I do not want to say that the concessions being given to the handloom weavers should be withdrawn or that the six lakh handloom weavers or workers in the country who work in these sheds should be rendered jobless. I also do not want that in a bid to save the jobs of about three lakh workers engaged in the weaving departments of the textile mills, the livelihood of six lakh people be taken away. Therefore, I want to say that Government will have to frame proper policy in this regard so that both these sets of six lakh and three lakh people could survive. To achieve this objective, I would say that it is necessary, that our Textiles Minister and Commerce Minister both of whom are present here, should frame such a policy that the handloom weavers would manufacture cloth which the poor people or common workers purchase while the big textile mills would manufacture the fine variety of cloth, so that there is no clash among them, their respective markets are not affected and both the small and big industries could survive.

I think, in view of the prevailing conditions, Government should come forward and decide to take over the textile industry of India as it is high time for such a step to be taken. Today, dark clouds are hovering over the textile industry the oldest industry in the country and the only way out to save it is its take over by Government.

I am not opposed to modernisation. If you conduct a study in respect of the old industries, you will find that these industrialists have diverted profits to the tune of crores of rupees out of these textile mills. They have diverted crores of rupees from the textile industry to other industries. They did not go in for their timely modernisation, did not spend money on the machines but

instead set up other profitable industries at many other places with the money so diverted. As a result of it, the machines became obsolete. They are taking of modernisation today after 25 to 40 years, which means that thousands of workers will be retrenched.

Government should invite all trade unions in the country and tell them that they are prepared to take over this industry, but they want to modernise it. If Government could place their opinion, and their intention before all the trade unions of the country with a sense of responsibility that they want to modernise all the textile mills, want to offset the losses and earn profit and at the same time they would also give a guarantee to the workers, assure them that not a single worker will be retrenched, I can say with a complete sense of responsibility that all the trade unions will be prepared to help Government and save this industry in the country.

But, I am sorry to say that 16 textile mills of Bombay have been taken over and brought under the National Textile Corporation and retrenchment of workers is being resorted to there. Had Birla, Tata, Charat Ram Bharat Ram resorted to such retrenchment, one could have understood, because they have made money by exploiting the workers, but I cannot understand the policy of Government who take over the textile mills in the first instance and then resort to retrenchment of thousands of workers.

I want that the oldest industry of India should be saved today. If we leave it to the industrialists, this industry can never be saved. The Delhi Cloth Mills, in Delhi is, perhaps, 100 years old in the country. A notice has been served for its closure. The closure will be effected in July. 8000 workers are engaged in it, 50000 people belonging to the families of the workers are living in that colony. First of all, Delhi Cloth Mills will be closed, thereafter the Birla Mill and finally the Swatantra Bharat Mill will be closed down. Today, no textile mill owner is interested in running these mills, because they have taken out profits worth crores of rupees from them, they have eaten away whatever was there in the mills and they do not want to shoulder the responsibility for whatever is left there. They want to set up commercial houses and raise commercial

buildings after demolishing the mills. What I want to say is that before these industrialists could lay their hands on these textile mills, build palatial buildings there and render the workers jobless, Government should take over these mills and evolve a policy and tell the trade unions that Government want to modernise them and want to have more and more production so that our textiles could find a market abroad and earn more and more foreign exchange. I would like to say with full responsibility that the trade unions of India would help Government, but, Government will have to assure the workers that their policy is to provide employment and that the workers will not be retrenched unlike what has been done in Bombay.

I urge Government to save the oldest industry in the country and frame such a policy that the six lakh handloom workers engaged in the manufacture of cloth and the 3 lakh textile mill workers continue to remain in employment. Today, the cloth being manufactured by the textile mills costs more and, therefore, it has no buyers. Government should evolve a policy under which course cloth will be manufactured by these six lakh handloom weavers and the manufacture of fine cloth will be left to the textile industry so that there is no clash between the two, both sector of the industry could survive and India's oldest industry could be saved.

[English]

SHRI GEORGE JOSEPH MUNDACKAL (Muvattupuzha) : We have got independence, but, unfortunately, in the State of Kerala, which is located far away from Delhi, we are still facing a colonial status. Whatever agricultural product we are producing, government is trying to import all these things and not giving any encouragement to cultivators. Assam was neglected for years and Government had to face the Assam agitation. Now, all the funds are diverted to north-eastern States for their development. How much foreign exchange a small State of Kerala is earning, nobody is thinking about that. We are selling cardamom; we are producing rubber; we are producing tea. Then we are saving a lot of foreign exchange by producing cocoa, rubber and coconut and see the fate of coconut oil.

[Shri George Joseph Mundackal]

The Hindustan Lever or Tata Oil Company have got lobby here; they are forcing the Government of India to import a large quantity of oil. After the land-reforms, the Kerala State has got only very marginal and small farm having 20 or 30 cents below one acre of land. Whatever price we got last year, we got 50 per cent of the price now. A lot of coconut oil is imported and distributed. Two years back, we faced very severe drought conditions in Kerala and a lot of plantation was lost in those drought conditions. For long term cultivation, we are doing pepper, rubber, coconut and cardamom. All these crops will take 5-10 years for getting income. In the North, the cultivation is quite different. They can change cultivation very frequently. If there is no remunerative price for groundnut, they will change to wheat or rice or they can shift cultivation very easily. But, for long term cultivation like coconut it will take 8-10 years for getting income. If the farmers are not assured of good price or fair price, they will not try for that cultivation. So, the Government of India must give encouragement to the long term cultivation. Kerala State is very small but the foreign exchange which they earn is the maximum for our country. See the price of rubber in the beginning of the season. In the beginning of the season, the price was nearly Rs. 19 per kilo. But when the peak season started, we imported rubber through STC and distributed because of the pressure from the other side. The price has crashed from Rs. 19 to Rs. 14.

90 per cent of the rubber farmers own below 5 acres of land. I am saying this particularly because nearly 50 per cent of the rubber cultivators are from my constituency. They are themselves cultivating it; they are honest people, they are working from morning to evening and getting their daily income from the cultivation of rubber. Unfortunately, the price has crashed and STC has distributed the imported rubber in the peak season and that has affected them more severely.

Two years ago, a lot of rubber trees were lost in the drought and the Government has not given any encouragement. The Rubber Board has plenty of money because of the excise duty and cess on the rubber. But because of lack of field staff, the inspection was not going on smoothly and we are not getting subsidy regularly also.

Last year our respected Minister came and laid the foundation stone for the Rubber Board building in Kottayam. But, unfortunately, the sanction was not given and the cost of the construction work is going up. I do not know when a tender will be called again and the work will start. I request the Hon. Minister to take up the construction work of the Rubber Board building as early as possible.

Luxury goods like nutmeg, cloves are imported into this country. Why should we waste our foreign exchange? Why are they enjoying pudding or biryani by putting cloves or nuts in the food? Our poor country, India, has struggled for foreign exchange. Why should we waste our foreign exchange for importing nutmegs and cloves? I cannot understand that point.

For importing items like medicine and petroleum products, we also lose a lot of foreign exchange. So, I request the Hon. Minister to save this foreign exchange by producing these items here.

Now, the cost of long term cultivation has gone up very high. The labour charges are the highest in Kerala compared to other places in the country.

Kerala State is paying more wages and providing more facilities for the labour. Considering all these things the farmer there must get a fair price. But unfortunately the prices are fluctuating very much. One day the price will be Rs. 20 per kg., and the next day or after one week the price falls down. The people cannot depend upon this because they are all poor cultivators.

Rice cultivation is almost a failure in Kerala. The coconut trees are affected by the root-wilt diseases. A fair price should be given for coconut also. A minimum price for coconut oil also has to be ensured. The rubber prices are also not remunerative, the imported rubber must be priced at rates 50 to 60 per cent more than that of the rubber produced in India. The farmers were getting less than Rs. 14/-per kg. for rubber. Considering all these things I think that there is good scope for giving a better price.

Now, other States are also growing rubber, like Orissa, the North-Eastern States,

the Konkan area, and some parts in Karnataka. So there is full scope for growing of rubber. Also, irrigation facilities should be provided for rubber cultivation.

Earlier a subsidy used to be given for spraying rubber plantation. But it has now been stopped. I do not know the reason. If the spraying is not done in the season properly it will create problems. I therefore request the Hon. Minister to resume payment of spraying subsidy for rubber plantation, because as I mentioned earlier, 90 per cent of the farmers are small and marginal farmers.

With these words, I extend my wholehearted support for the Demands for Grants of the Ministry of Commerce and Supply.

MR. CHAIRMAN : Dr. G. S. Rajhans.

[Translation]

DR. G. S. RAJHANS (Jhanjharpur) : Mr. Chairman, Sir, I rise to support the Demands for Grants of the Ministry of Commerce and Supply. First of all, I would like to speak on the Import and Export Policy of the Hon. Commerce Minister. I think, it is for the first time in the post-independence era that such a good policy has been announced. The best feature of this policy is that the people have not to worry about Government's Import and Export Policy for the next three years. Import of computers has been liberalised and so also the import of capital goods for exporters. One of the salient features of the new policy is to permit those who had purchased capital goods abroad in turn-key projects and other projects to import them to India easily under O.G.L. Many concessions have also been given to Indians living abroad and similar other steps have been taken. But, then, there has been a serious lapse also. Deliberately or inadvertently, photo composing machines have been excluded from O. G. L. in this Import-Export Policy. On the one hand, you talk of taking the country into the twenty first century, but you are taking the country to the fourteenth century inadvertently. I cannot say how it has happened. Either it is a bureaucratic lapse or some other lapse, because in today's world even a person remotely connected with the newspaper or printing technology can understand that no newspaper or book industry can be run without

photo composing. If you allow me a little time, I would like to tell you that your traditional exports are losing their market. In a few minutes from now, I shall tell you that today or tomorrow you will have to step into the field of non-traditional exports and in that connections you have a big scope in book exports. People send typed manuscripts from abroad which is composed here in photo composing, then printed in off-set and instantly exported. I want that the Hon. Minister should look into it. If you exclude photo composing from O. G. L., then how would the people compose the matter ? I do not know where you want to take the country in this way. There is a hot news in the newspapers that photo composing is being excluded from O. G. L. which shows that you want to scuttle the freedom of the press. I hope the Hon. Minister does not subscribe to this view and this has, perhaps, happened inadvertently. I request you that photo composing should again be included in O. G. L. Similarly last year also big machines of offset printing were excluded from O. G. L. due to a bureaucratic lapse. The people had represented to the Hon. Minister who had again included it in O. G. L. in view of its practicability. Therefore, I request you on behalf of the entire newspaper industry to include photo composing in O. G. L. again.

Another thing I want to say is that your report is really very good. You have said that your exports are increasing. You have written in it :

[English]

"The year 1984-85 has, however, commenced on an encouraging note. According to the provisional trade statistics available for the first nine months of the current financial year, April-December, 1984, exports amounted to Rs. 8146 crores as compared to Rs. 6858 crores in the corresponding period last year, thereby registering an increase of 18.8 per cent."

[Translation]

What I mean to say is that you have said in it that your exports have registered an increase because of engineering goods. I want to tell you that there is a vast scope for in-

[Dr. G.S. Rajhans]

crease in the export of engineering goods, both in light as well heavy engineering goods. Hon. Minister, Sir, you had left the House at the time when an Hon. Member had asked a question. "How do you propose to raise the quantity of engineering goods? Why do Government not pay attention to quality?" In reply to this question, the Hon. Minister had said that he would import technology and when he improved the technology, quality would also improve. Sir, I want to tell you that it does not hold good. I have been in export business. I want to tell you what happens. Just suppose you have exported a fan as a sample in light engineering. You get an order from abroad on the basis of the sample of the fan you sent there, but at the time of actual export, inferior quality goods are sent. We have an Export Promotion Council to check the quality of goods meant for export. The goods are got cleared by this council by giving some gratification, and it brings a bad name to Government. Similarly, quality control should be there in garments as well as ready-made goods. Sample of some goods is sent but actually goods of a different quality are exported, as a result of which the goods pile up in the foreign countries. Therefore, I urge the Hon. Minister to pay attention to it.

Mr. Chairman, Sir, you have given me very little time to speak. Therefore, I would like to draw the attention of the Hon. Minister to two or three points. I belong to the Mithila area. The Paintings of Mithila or Madhubani are famous the world over. Till a few years back, lot of these paintings used to be exported, but now this export has slumped to the bottom. Government have not paid any attention to it. Another point of mine is that agrobased industry should also find a place in the export market. Agro based industry should be run on the lines of S.T.C. I would like to give you an example. Our north Bihar is a mango bowl. During the mango season, you should arrange to send plane-loads of mangoes direct to Bombay and from there to foreign countries. There is large scope for it because I have talked to the Embassies of the Gulf Countries. This arrangement for export of mangoes will give a lot of encouragement to the local people. Simultaneously, the people of the Gulf Countries will get mangoes at cheaper rates.

Similarly, there is a vast scope for export

of many of the handicraft items. Time is short, but I must touch an important point. Our construction industry has earned huge foreign exchange but at the same time many of the construction companies also both from the Public Sector as well as from the Private Sector — have earned a bad name. They have made a lot of bunglings there. A thorough screening should be made of company before it gets a contract for a turn-key Project or any other construction work so that it does not indulge in inferior quality work in foreign countries.

I had many things to say but you have not given me much time. The condition of the weavers in my area is miserable. Shri Shyam Lal Yadav has also drawn your attention towards them. The Hon. Minister Chander Shekhar Singh belongs to Bhagalpur which is a big centre for silk. The silk industry should be paid attention. There are many possibilities there and it can progress on the lines of the silk industry of Benaras. The middle men should not have any place in this industry. There is great demand for Bhagalpur silk in foreign countries. The Commerce Ministry should therefore, pay attention to all these aspects.

**SHRI GIRDHARI LAL VYAS** (Bhilara) : Mr. Chairman, Sir, I rise to support the Demands of the Ministry of Commerce and Textiles.

Keeping in view the shortage of time I would like to touch only two or three points, specially regarding textiles. The condition of the textile industry has been very bad during the last few years. Today in country, at least 74 mills are lying closed and about one lakh workers of these mills are jobless. The Central Government have taken many steps in this direction — particularly regarding their modernisation and rehabilitation but these steps have not been implemented properly. On this occasion I would like to say something about the Mewar Textile Mills in my area. I have already drawn the attention of the Hon. Minister towards this and today also I am drawing his attention. The Central Government had taken over this Mill in 1968. For 6 to 7 years, this Mill remained with you, you modernised it and it earned huge profits also but after that you returned the Mill for reasons best known to you, I had informed you about that file earlier also. A lot of manipulations have been made in



I would like to tell the Hon. Minister that the sheets manufactured by the Mill are sent to the whole of India and even to foreign countries. Metex vests produced by the Mill are very famous. If these two Departments earn profit, the Mill cannot run

I would like to make one more submission. The Textile Commissioner sits in your office. It is his responsibility to keep a watch on those mills which have gone sick in the past or are on the brink of becoming sick. We had examined the Textile Commissioner at a meeting of the Estimates Committee and had asked him what his responsibilities were towards these mills. He had told us that the function of his office was only a regulatory one. If some mill falls sick or there is any bungling in the assets of any mill, it is not the responsibility of the Textile Commissioner to look into such cases. That is what he has said but in your Report it has been stated that all that is his responsibility. If any mill, falling in his jurisdiction, becomes sick, may be because of mis management or misappropriation of the assets, it is the

[Shri Girdhari Lal Vyas]

responsibility of the Textile Commissioner to look into the matter. All these things have been mentioned in your report.

14.00 hrs.

If your Textile Commissioner in his area, be it Ahmedabad or Rajasthan, does not look after the sick mills, he is not fulfilling his responsibilities. It is because of the callous attitude of your bureaucrats that so many mills have gone sick.

These mills have gone sick because of the bunglings made in their assets by the managements. If you make a provision that the Textile Commissioner will look after the mills, will monitor their functioning, then the mills will run properly and the whole system will remain streamlined. You should endeavour to streamline the functions of the Textile Commissioner so that he keeps an eye on the mills.

It is in the nature of capitalists that first they earn the maximum from an industry and then after withdrawing its assets invest the same in another industry, making the earlier industry sick. This results in unemployment and starvation of thousands of workers. Many mills are in this condition. I would, therefore, forcefully urge that this post should be granted more power so that these people are able to look after the textile mills in their area properly.

There is one Mewar Textiles Mills in our area whose Managing Director Shri Sampatmal Loda has been advanced Rs. 4 crores by your financial institution. The money was given to him when the Mill was lying closed. I do not know which officer arranged money for him in such a situation. Today, even that money is not being utilised for the Mill. Those four crores of rupees have also been swallowed by the mill owners. Such are your officers who provide money to the capitalists with dubious methods but when we ask for money for running a mill, your officers create many obstacles in our way. That capitalist was provided Rs. 4 crores and he has not invested even a single paisa in the Mill. The entire amount has been misused. The Hon. Minister should set this system right, otherwise your offices in collusion with the capitalists, will make all your mills sick. The whole of our economy will be derailed due to this

You should set things right and give the maximum cooperation in starting these mills. Only then the sickness of these mills will go and more and more people will get employment. I, therefore, urge that you should get the mills started at the earliest.

With these words I express my thanks to you.

[English]

DR. K. G. ADIYODI (Calicut) : Sir, I rise to support the Demands of the Commerce Ministry. The Economic Survey of 1984-85 reveals that the growth rate of Sixth Plan on average achieved 5.2 per cent which is equal to the Plan target. In spite of our record food production and the almost satisfactory hike in the industrial and better export earning money-wise though not on value we have been forced to enter into an arrangement with the International Monetary Fund under the extended fund facility for drawing funds for narrowing our trade gap. The reduction in bulk import, especially of crude oil, provided room for other essential imports expansion for developing the country. Taking all these factors into consideration, the adjustment efforts during the Sixth Plan proved very successful especially when you consider the period from 1977 to 1980. The various economic and fiscal measures resulted in financial reserves including gold and SDRs upto 31-1-1985 to 547 crores net. Drawals are reduced to Rs. 101 crores and residual financing gap to Rs. 446 crores. Net import of major commodity crop during 1982-83 is Rs. 14356 crores during 1983-84 upto September 84 is Rs. 73848 crores. In general, a shortfall in commodity wise is marked in our export but money wise we earned more. This shows that a major effort has to be taken in the Seventh Plan to further accelerate the rate of growth of our exports and to reduce the import of bulk commodities. The Import-Export Policy for the coming 3 years is clearly spelt out by the Government and it is encouraging. This has been substantiated in the approach paper on the Seventh Plan and I am extremely happy to congratulate the Government. Unless we are able to provide 8 per cent to 9 per cent industrial growth and increase the agricultural production especially in export commodities the Seventh Plan expenditure for development will not be so easy. We have a large

domestic market which demands a wide range of products, industrial and agro-based. But the manpower especially the skilled manpower is not fully exploited so as to eradicate unemployment and to increase the living standards especially when 40% of our people are below the poverty line. So, a labour-oriented policy in export is warranted.

All agricultural products, for example, coffee, tea, rubber, cardamom, pepper, ginger, turmeric etc., are all exported in bulk, whereas all these are consumer products. If an attempt is made to export these items in consumer packings, the export income as well as employment and rural industry will definitely increase. At present, the benefit given by the Government to the exporters and importers are not transmitted to the real producers and consumers. There is a wide gap and it should be narrowed. In order to increase the export both agricultural and industrial, our universities and institutions should provide orientation training courses in various agricultural and industrial products, for example, marine products. I am sorry to say that this field is not exploited properly due to lack of training and infrastructure. Same is the case with ceramic and forestry. There is wide scope for many of these products to be exported provided the basic requisites are made by the Central and State Governments. May I point out, for example, today coffee is facing a serious crisis. One-third of the produce is consumed internally and another one-third is sold in buyers' market with 24 to 40% discount. The lowest grade tea fetches Rs. 35 per k.g. whereas coffee gets only Rs. 14.

I am so sorry to note with a little pain that the excise duty on 14 items has been abolished but not in the case of coffee. I do not understand the rationale behind this retention. The export duty on coffee is Rs. 7200 per tonne. So, these measures are adversely affecting the cash crop States like Kerala where majority of the plantations are small and marginal with less than 4 crores. Unless the Government comes forward with an export and import policy aimed at to ameliorate the economic conditions of plantations, I am afraid that the disparity in income and employment will not be reduced in this sector. The coffee cultivation has been reduced drastically by converting these coffee

plantations into some other remunerative crops.

The Husk Control Order is awaiting the approval of the Central Government for the last several months. This may also be looked into.

I would request the Hon. Minister through the august House to take necessary steps so as to prevent conversion of coffee plantations into some other remunerative crops and also to see that the Husk Control Order is given approval without any further delay.

With these words, I whole heartedly support the Demands relating to the Ministry of Commerce and Supply.

SHRI K.R. NATARAJAN (Dindigul) : Mr. Chairman, Sir, on behalf of the AIADMK, I support the Demands for Grants relating to the Ministry of Commerce and Supply. Yet, I would like to say a few words on the subject.

The exports in 1983, from April to December, were to the tune of Rs. 6,858.3 crores and the imports during that period were to the tune of 10,416.5 crores. The exports during 1984 were of the order of Rs. 8,146.2 crores and the imports were of the order of Rs. 11,746.1 crores. So, consequently, the trade deficit during the period April to December, 1984, was to the tune of Rs. 3600 crores which is higher than the trade gap of Rs. 3,558.2 crores in the previous year. So, the trade gap has to be bridged,

We have to produce more and export more than what we import. Then only the economy of the country will improve. A number of unimportant items imported can be reduced. For example, synthetics, alloy steel Australian wool tops and chemicals have to be imported less and indigenous industries have to be encouraged to produce more of these items.

We talk of self-sufficiency on food front. Yet, we import wheat from foreign countries, specially USA. The farmers are not given remunerative prices. Their condition is worse. The condition of agricultural labourers is still worse. Their condition has to

[Shri K.R. Natrajan]

be improved. Trade and commerce have to be agriculture-oriented and employment-oriented.

There should be large-scale production in the country. In Japan, each and every Japanese is given a job. Like that, every Indian citizen should be given a job. They produce more of sophisticated and industrial goods in Japan. They have improved their economic position tremendously. Japan was completely destroyed during the Second World War. Yet, they made good the damage and they improved their position in the economic field. Russia was also completely ruined during the Second World War. Their economy was completely shattered. Yet, they built up their economy so well that they could compete with USA in each and every field. USA was not a loser in the Second World War. Russia renders lot of help to the East European Countries like India. It helped China in the 50s. Socialist countries are the purchasers of more than 40 per cent of our export goods. Our trade and commerce with other countries has to be improved. The Government should find out the reasons for slow progress in exports. In trade and commerce, we should produce more and export more.

Jute in West Bengal has to be developed and exported to other countries.

Rubber industry is not yet developed in India. We import rubber from foreign countries to meet internal demand. Rubber industry has to be developed especially in Tamilnadu where rubber is available.

Import of wheat and edible oil has to be reduced to a great extent.

Coir industry has to be improved in Kerala. That must be exported to the foreign countries.

Agriculture is the largest industry in India. That has to be mechanised. All rivers in India have to be declared national rivers and utilised fully. The project of Ganges-Tamraparni should be implemented and completed. Agricultural production should be improved. The agricultural products should be exported to traditionally deficient countries.

Handloom is the second largest industry in India. It should be modernised. Modernisation does not mean mechanisation. By it I mean improvement of looms. There is a great demand for handloom products and handicrafts all over the world. So, handloom products and handicrafts should be produced more and should be exported to other countries.

Tobacco farmers are bound to sell their tobacco to merchants. The profit goes to the traders. Therefore, the long-felt need to form a separate Wing in the Tobacco Board should be satisfied.

The sophisticated, machinery for match-making is now being imported. It will render a number of people jobless. Therefore, one of the main aims should be job-orientation in industries. Cottage industry should be developed because it will provide employment to millions of people.

It is generally said that the export market is dominated by private people. The domination has to be eradicated or reduced.

The cashew farmers are not getting proper and reasonable prices for their produce. Reasonable price should be paid to the cashew farmers.

Cardamom is the main crop in Tamilnadu and Kerala. The Cardamom Federation is not selling cardamom to STC. The profits go to the middlemen. Therefore, the Government should see to it that the Cardamom Federation sells cardamom to the STC. The fruits should go to the farmers.

The economy involved in jute, textile, tea and coffee industries is self-generating economy. It should be developed and trade should be improved in this context. India will get a dignified position in the world economy by this means,

[Translation]

SHRI G.L. DOGRA (Udhampur) : Mr. Chairman, Sir, I support the demands for grants of Ministry of Commerce and Supply presently under discussion. The fact is that this Department is very important for our economic upliftment and in this connection

I would like to submit before you some new points.

Some new things which were to be spelt out in this connection have already been explained in his Budget Speech, by our Hon. Finance Minister who is also holding the portfolio of Commerce. But, unfortunately in spite of all the facilities being provided, the State Governments do not work in right earnest. I would, therefore, like to draw the attention of Hon. Finance Minister to the fact that, unfortunately, he has provided so many facilities to the State Governments for small scale industries that they are left virtually with nothing to do except registration. All bottlenecks have been removed. But, I have seen in Jammu that the local officers or General Managers of Industries are still trading on the same old line. From that it appears that either your new policy has not reached them or they are ignoring it deliberately. Perhaps the same situation might be prevailing in other States as well. Now, I feel that the misfortune of our country is that the Central Government do take good steps, take up good works in right earnest, but the State Governments do not pay attention to the extent they should have paid. If they also pay that much attention, much progress can be made. Therefore, I want to submit to the Hon. Minister who is young as well as dynamic that he should pursue his policy with the State Governments. But the trouble is that if he lays more stress, the opposition members make a hue and cry that you interfere in the affairs of the States. You have got power but you can use that power through the instrument of State Government. But when the State Governments do not pay attention to it, how can this policy be implemented? Therefore, I request you to pay a little more attention to it and for this purpose you should organise a study circle so that the concerned officers and Ministers could know how this work is to be done, because whatever new measures you take, these officers do not know how to implement them. I am apprehensive that we may not have the same conditions here in India as those obtaining in Iran because in some areas there might be tremendous progress, in some pockets we may progress industrially and in some other pockets we may make strides in agriculture but the major part our country may remain so much backward and give rise

to so much difference that the situation may go out of your control. Thereafter, even your successors will not be able to control it and the situation will worsen. Therefore, you must take personal interest. You have issued so many directives with regard to the implementation of your policy stressing that small scale industries should grow rapidly in backward areas, but they are not doing anything. Backward areas cannot make progress without the assistance and guidance of the State Government. Therefore, kindly get these things examined afresh and evolve a new mechanism through which the work could be carried on smoothly, because at present the things are not moving at all. You have announced all these concessions which were not given earlier, but the States which are backward, are hilly and have no industry are doing nothing in this regard. The time at my disposal is limited, therefore I would now express my views in the demands for grants. The textile industry can remove the backwardness of our State. But, at the present juncture, they are passing through a big crisis and that too of a strange type. Our traditional approach does not hold good today. The people have no stocks of goods. Even the small quantity of goods which they are producing does not have brisk sale. They are worried whether the goods produced by them will be sold out or not. There is another difficulty. The prices have risen considerably and due to this increase in the prices, the poor people cannot buy the goods. As a result of it, our country which was a leading country, particularly, in cotton textiles during first World War, is lagging behind and even Japan has forged ahead of us today. In my view, the reason behind it is that we do not have modern machines with which we could improve our position. We must pay attention to the fact that the machines, the looms on which we weave the cloth at present are very old and obsolete due to which we cannot compete in the national and international markets. We have not paid any attention to it. I do not think the people engaged in the textile industry, who are manily in the private sector, do any research work in this field. I was amazed to see the product of one of the Bombay Mills selling briskly. An expert told me that looms had been imported from Switzerland and I do not know if there would not have been designed here afresh after purchasing a prototype. The products of that mill started sell-

[Shri G.L. Dogra]

ing like hot cakes while the goods produced by the mills having old and obsolete machinery did not sell but started piling up. To-day, our position is that we have not been able to improve upon our looms and the people who were not in this line at all developed new models and their products started selling the world over.

I think, we do not have any worthwhile organisation for marketing. Attention must be paid to it.

I would like to congratulate you that your Trade Fair Authority and three other authorities which you have created, are doing a fine job. They have organised exhibitions, owing to which we have a name in the international market. I had a chance to visit one or two places. These organisations have held our name high in the international market. But, you will have to improve a bit the working of our organisations in the private sector as also S.T.C. in particular. There should not be any closed door policy. Those who have entered the field do not let the new-comers enter it. Attention should also be paid to it. New channels are not being created for them even outside. Your new Managing Director has made an attempt to change it, but the vested interests are so deep-rooted and strong that they do not allow any change to take place.

You will have to pay attention to the handloom sector. Only handlooms can remove our unemployment to a great extent. In every State, a sizeable population depends on handlooms. Some of these handlooms have been closed down as they do not have any work. Some of them do have stocks. The designs of the handlooms are also old. I am of the view that if the State Governments provide proper modern facilities to handlooms, provide facilities for designs and marketing, our goods can go even to the international market and our unemployment problem can be solved to a great extent. This aspect needs your attention.

I do not want to repeat the suggestions made by Shri Yadav. We should make efforts to sell the unsold stock. So far as powerloom are concerned, they can do quite good job, but they too have their own problems. Powerlooms too do not have any marketing organisation and only State Governments

can create such an organisation and it is for them to take steps in this direction.

I would like to draw your attention to the woollen sector. Tweed used to be manufactured in our Jammu and Kashmir in the woollen sector. It was very popular and it had an international market too. But, it so happened that neither the State Government took interest in it nor the Central Government paid any attention to it. Only a very few craftsmen are now left in this field. I have heard that even in England, the best of their tweed is manufactured in the cottage industry and not in big factories. No big technology is involved in it. Our tweed was no less popular than theirs but still it has disappeared. Even now some woollen cloth is produced in some of the backward areas of our State and it is very popular. A variety of cloth is manufactured there. I would request that you assign this duty to somebody who should pay attention to it in co-operation with the State Government. These industries exist in our State, Himachal Pradesh as also in U.P. We can extend the woollen industry to the far-flung areas through handlooms and its product can even be exported. Therefore, you should pay attention to it.

Sir, at the same time, I would like to tell him that the entire *Pashmina* which we have, is produced in Ladakh. Till a few years back, *pashmina* used to be procured from Tibet. After the dispute with Tibet, we reared some goats. The people who rear, these goats lead life of nomads. During the peak winter and heavy snow falls, their goats are killed. Therefore, steps should be taken to see that they do not suffer any loss.

In our country *pashmina* is used extensively. Both males and females long for it. Therefore, the more the incentives to this industry, the better it would be. The Central Government should hold discussion with the State Government in this regard and should endeavour to encourage it further by taking ample interest in it.

You are taking very good steps to promote handicrafts, but it needs more attention on your part. Although you are making efforts in respect of training in and marketing of handicrafts, there efforts are not up to the

desired level. Marketing has an important role in it. You should go in for the modernisation of their tools.

We have carpets, embroidery and wooden handicrafts in our State. Every State has a handicraft of its own and you should pay attention to them. This handicrafts work is done mainly in the backward areas. Therefore, our Hon. Minister should pay full attention to them so as to bring prosperity there and to remove the problem of unemployment.

Now, I would like to say a few words about tea and coffee. The area of cultivation under these two plantations should be increased. Tea growing in District Kangra is still being practised on the same old lines. No new technique has so far been developed for its further improvement. Tea cultivation can also be done in some areas of Bihar adjoining West Bengal.

In so far as coffee is concerned, we have seen that there is a vast scope for its expansion. Coffee was being cultivated in Nicobar area, its quality was also good, and it is in great demand in the market also but we have not captured foreign market for it to the extent that we should have done.

The Tea Board has done a good job in popularising tea. This work needs to be kept up further. If you pay attention to all these things, we shall be able to improve the financial position of some of our people on the one hand and also remove unemployment on the other. It will be better if your Ministry sets up a monitoring cell for this purpose which should oversee the working of these Boards and study them. The report is submitted to you, you take action on it also, but it is at the lower rungs where the people remain inactive. You should pay special attention to all these aspects.

With these few words, I strongly support the Demands for Grants of this Ministry.

[English]

THE MINISTER OF STATE OF THE MINISTRY OF SUPPLY AND TEXTILES (SHRI CHANDRA SHEKHAR SINGH) : Mr. Chairman. Sir, I am extremely grateful to the Hon. Members for the support that they have extended to the Ministry of Commerce and Supply and also to those who

have made constructive suggestion and referred to specific problems in their speeches.

The textile sector has three clearly defined sectors within itself—the composite mill sector, the powerloom sector and the handloom sector. At the present moment, as some of the Hon. Members have spoken, at times it appears that one sector is trying to push into the territory of the other sector at the cost of the other sector. I would not go into the details of this situation. The House is aware that the Textile Policy was announced last in 1981. We are engaged at the present moment in the task of formulating and concretising the textile policy for the next few years. The Exports Committee is expected to submit its report to me in a day or two. We hope that we should be able to take the House into confidence and announce the new textile policy during the current session of Parliament. But care would be taken to see that all the three sectors of the textile industry function in perfect harmony or at least their interests do not collide and create difficult situation for all of them.

Mr. Chairman Sir, I would like to briefly refer to some of the important aspects of the situation and take this House and our country into confidence.

I always consider that whatever policy we formulate and implement, our prime concern should be to protect the interests of the consumer, the common man. We sometimes tend to take a view where it appears that sectional interests are occupying a more dominating position in our thinking and in the formulation of our policies and programmes.

The first responsibility of the Government is to see that the level of per capita availability and consumption of cloth is increased in this country. A look at the figures of the per capita availability indicates that there has not been any major change in the situation during the last so many years.

What is significant is that a shift has taken place in the pattern of consumption from cotton to non-cotton and blended or mixed fibre fabrics. People are taking to these fabrics because they are more durable, their wear life is higher. The rate of substitution has been of the order of two per cent per

[Shri Chandra Shekhar Singh]

annum. This shift is visible not only in the urban areas but in rural areas as well and it touches even the lower income groups. During the Seventh Plan, considering the income elasticities relating to these categories of fabrics, with the anticipated rate of growth of GNP of 5 per cent per annum, the estimated rate of growth of per capita consumption of these fabrics is minus 1.66 per cent for cotton plus 7.8 per cent for non-cotton and plus 6.57 per cent for blended and mixed fibre cloth. In the terminal year of the Seventh Plan period, the estimated per capita consumption of textiles in the household sector is as follows :

Cotton	9.06 metres
Non-cotton	2.31 metres
Blended or mixed	3.77 metres

If you take into consideration the durability factor, the cotton cloth equivalent works out to 22.19 metres against 17.70 metres in the Sixth Plan. That way, we hope to make available for the common man in our country more cloth and we are trying to gear up production to that end.

The next question which is of deep concern to all of us is the employment factor. The textile industry is very important, not only from the angle of production but also from the angle of employment and export earnings. It has been estimated that in the year 1984-85, the total number of workers in this industry in the mill sector is 8.84 lakhs. Doubts have been raised and apprehensions have been expressed whether retrenchment would not be resorted to if the modernisation process had to be accelerated in the mill sector. We would like to make it clear that while in some cases this might be necessary, but by increasing the spindlage, we hope that the present level of employment in the mill sector would be maintained by the end of the Seventh Plan period. Government are taking measures to increase productivity of labour and machinery by implementing proper training programme for workers and we are also enlarging the programme of workers' participation in the management and trying to modify in a manner so that it becomes more effective and meaningful.

In the powerloom sector, by the end of

the Seventh Plan period, the employment is expected to be of the order of 35.32 lakhs. The handloom sector is the most employment oriented sector and efforts are being made to raise the level of employment in this sector and introduce a package of measures which will not only raise the level of employment but will also raise the earnings. The estimated rise in employment in the handloom sector is from 57 lakhs on full employment basis in the year 1984-85 to 98 lakhs in the year 1989-90. Thus from the present level of 98 lakhs + employment, we hope, in the next five years, we shall be able to create employment opportunities for 142.16 lakhs of workers in this country. In addition to this, indirect employment will be provided to cotton growers and in ancillary trade, which would come to an order of nearly 100 lakhs, i.e. one crore. This, however, excludes employment in textiles— in silk yarn and other fabric trade.

Hon. Members have always raised in this House the question, how the sickness, which is prevailing at the present moment in the textile industry will be met with. This is a matter of serious concern and it is only natural that Hon. Members would be expressing their anguish and their concern over this issue. Members in their anxiety to tide over the present crisis, always repeat the demand of nationalisation or take over. I need not repeat but I would like to make it clear to the House what the Government's policy on sick industries or take over of such industries is. It is amply clear that the present policy is to make all efforts and these efforts have to be directed by the administrative Ministry to review and rehabilitate sick units with the help of the banks and financial institutions and take over shall be resorted to only if the unit is supposed to become viable within a reasonable period of time and if it is in public interest. I would like to make it clear to the House that we consider industrial sickness is a concomitant phenomenon of the very process of industrialisation in which poorly conceived projects or badly managed units would tend to become sick and may have to be closed down, while better planned projects or better managed undertakings will come up. We cannot rule out this possibility altogether. However, we are trying to meet the situation as best as possible. According to the Reserve Bank of India, upto June 1982, there were 435 large industrial sick



units with an outstanding bank credit of Rs. 1728.95 crores. Out of them, 111 undertakings were textile units. This number has increased to 123 in 1983. This industry is in a low profit area and is also subjected to cyclical patterns of fortune. I need not go into the detailed analysis of the causes of their sickness. But I may briefly mention that in short run, the problems relate mainly to short-fall in cotton production and upward rise in input costs, while long term problems are mainly structural imbalances, backlog of modernization, low productivity, growth of powerloom etc. Modernization of textile industry, as Hon. Members have pointed out, has long been neglected, leading to obsolescence of equipment. We have to meet the situation, and try to bridge the gap between actual production and potential productivity. It is highly important that the level of both labour and machine productivity is increased, substantially enhanced to compete with the advanced countries of the world, so that we many come up fast and establish ourselves in the international market.

I would refer briefly to the performance of N. T. C. which is presently responsible for managing 103 nationalized, and 23 managed units. This is largely a burden caused by mismanagement by the private sector. N. T. C. has taken over these mills in the larger public interest, and is trying to manage them as best as possible. Certain improvements have taken place, and the situation is not as gloomy as it is sometimes made out to be in the N. T. C. The production value has gone up from Rs. 225 crores in 1975-76 to Rs. 641 crores in 1984-85. The spinning productivity has gone up, and weaving and spinning utilization has also considerably improved.

I would like to tell the House that nearly half the NTC-managed mills have been able to cut out losses, and come out of that bad situation. Losses from April to December, 1984 have been at Rs. 15 crores per month. During the last quarter of the last financial year, i.e. January to March, they have been reduced to Rs. 11 crores per month. A modernization programme has been envisaged, and we hope that it would have the right impact, and create a better situation in the future.

2.54 hrs.

[MR. DEPUTY SPEAKER *in the Chair*]

During the last several years, the expenditure on modernization has been of the order of Rs. 296 crores, and the expenditure on this programme is expected to be of the order of Rs. 347 crores in the 7th plan period. But we must also keep in mind that the NTC is contributing considerably to the State exchequer by way of excise duties and taxes to the tune of Rs. 40 crores per year, and employs 2.5 lakh workers at the moment. We hope that if certain hard decisions are taken and the modernization programme is implemented, we shall be able to create a much better situation than what obtains at the present moment. I would like to say, a few words about the export of textile items. Textile constitutes a significant portion of our export from India. It is around 20 per cent of the total export. India's share in clothing has risen from 0.71 per cent in 1970 to 2.44 per cent in 1982. However, in respect of cotton fabric woven, India's share has come down from 6.85 per cent in 1970 to 4.07 per cent in 1972; and in respect of woven textile non-cotton, the decline is from 4.77 per cent to 2.74 per cent during the same period.

The relative position of India in the world trade in textile has also suffered between 1963 and 1982. India which ranked fourth in the world textile trade in 1963 has come down to ninth position in 1973 and 13th position in 1982. One of the main reasons for this slippage is the lack of modernisation of the textile industry. Certain other factors are also there, but I think all those engaged in the textile industry, artisans, workers and the entrepreneurs, they must realise that they must step up their performance if the textile industry is to compete in the world market. Several new countries have been able to build up their strength and compete with us and even elbow us out. In fact, it is extremely important that all efforts should be directed to this purpose, to the objective of making our textile industry competitive in the world market. During the last two years, there has been promising increase in the export of garments, but a glance at the present situation would lead us to think and consider that our main strategy henceforward should be to diversify not only the items of export but also our market.

There have been disturbing reports on a proposed legislation in the United States which seeks to curb the imports. We hope

this legislation would not be enacted and these countries would not go that far in pursuance of their protectionist policies. The developing countries have also taken a stand in the international fora that trade in textile and clothing should be governed by normal GATT rules without any special dispensation like MFA. This is the present position and we hope that, with the modernisation of the industry better quality control and eliminating such other constraints, we shall be able to push up our export in the years to come. Mr. Chairman, I would like to say just a few words regarding the handloom sector of textiles which is so important because it concerns millions and millions of our handloom workers. This occupies a very prominent place in the textile sector of the economy but as Hon. Members have pointed out, it is marked by considerable unemployment and underemployment and low level of earnings for the handloom weavers. I would not go into the details of the reasons which contribute to this situation but we all know that they are lack of proper weaver organisations, lack of availability of inputs, including working capital, the absence of a reliable marketing system and there are inherent technological constraints so that an ordinary handloom worker or weaver is not able to earn much for his day's labour.

I would not like to go into the details of what we proposed to do but I would like to assure the House and all those engaged in the handloom industry that we are trying to tie up all the loose ends right from the stage of marketing their products and evolve a system in consultation and cooperation with the State Governments and their organisations, so that the interests of the weavers are fully protected, they are able to earn much more than what they do at the present moment and more employment is generated in this sector.

Members have referred to the need for reservation of certain items of production in the handloom sector. Shri Shyam Lal Yadav repeatedly referred to this issue in his speech. The House is aware that a law has been enacted recently for reservation of certain varieties of handloom fabrics for exclusive production in the handloom sector. The rules are being framed and the policy of reservation which was being pursued even in the past shall be made fully effective. The handloom weavers are also greatly benefited by the

janata cloth scheme. At the present moment, during the year 1984-85 production of janata cloth has been of the order of 330 million metres by handlooms. As is well-known to the House, it is the policy of the Government that the production of janata cloth would be increasingly made by handlooms in the next year. This is going to be enhanced to 370 million metres and more work would be provided to the weavers.

A number of welfare schemes have also been formulated for the weavers. I would not like to go into the details of these schemes but briefly mention them. First is a thrift fund like the provident fund scheme for handloom weavers.

We are also considering construction of household-cum-work-sheds for the weavers with the help of financial institutions and other organisations. Then there is the scheme of medical assistance to them. Also some particular scheme for women weavers and a hill area development project for development of woollen items in Kumaon and Garhwal areas of UP have been contemplated. This sector is highly important and we shall take every care to see that the interest of the handloom weavers is protected, their earnings are increased and more employment is created in the handloom sector.

I would like to say a few words about the controlled cloth scheme. In the Textile Policy Statement of 1981 it was envisaged that the total production of cloth by the handlooms or the NTC mills would be 650 million square metres. The share of handloom sector has been increased to 370 million square metres. This policy would continue to be pursued.

A study has been made of distribution of controlled cloth which reveals that this scheme has an urban bias and that mostly those living in urban areas have benefited by this scheme. We are in consultation with the Civil Supplies Ministry. I have discussed the matter with the Civil Supplies Minister also. Very soon we shall be able to formulate a distribution system by which we shall be able to ensure distribution of janata or controlled cloth in the rural areas where the poor people mainly live. I would like to

remind the House that the price of controlled cloth within the reach of the common man has not been revised since July, 1981. Subsidy has been increased but prices have remained at the 1981 level. We are trying to implement this scheme as best as possible and streamline its distribution system.

I would like to say a few words about what our Hon. Members have specifically referred to. Shri Shyam Lal Yadav has urged the Government to make arrangements for supply of silk yarn to those engaged in the production of Banarsi sarees in his constituency. I shall certainly look into the matter and try to see that every possible measure is undertaken to ensure all facilities to the workers engaged in the town because Banarsi sarees are famous world over and they should be able to retain their grandeur.

Shri Lalit Maken is a labour leader and naturally he feels concerned that some of the mills working here should not close down and that every effort should be made to avoid the situation which is sought to be created by proposals of closures and lockouts. I have gone into the situation relating to this particular mill which he has mentioned in his speech, and I am in full agreement with his approach and shall try to see that his point of view is accepted and workers are not retrenched.

About the DCM, the position is well-known that the Delhi Administration has not accepted the plea of the millowners which is likely to create unemployment for more than 8,000 workers and depress the economy of the entire area. We are in full agreement with his approach and shall try to do whatever is possible in this regard.

Shri Girdhari Lal Vyas Ji has referred to the Mewar Textile Mills. He is well aware of the situation as he has given the details in his speech also. I am informed that the package of relief measures have been discussed by the Group of officers constituted to look into the problems of closed mills and those measures have been finalised. But Vyas Ji has referred to the suggestion of certain financial institutions to modify the scheme. I shall look into it. I expect, and I am informed so, that the mill is expected to be reopened shortly and will try to remove the constraints in its way.

I need not say anything more except a few words about the jute industry about which a discussion took place here when a Calling Attention Motion was under consideration. I would only like to inform the House that immediately thereafter, I tried to contact and communicate with the State Government. We have sent repeated reminders to them but I have not yet received their assessment of the situation. A delegation of Congress Members of Parliament from West Bengal, led by Shri Ashok Sen himself, met me a few days back and urged upon this Ministry that every step should be taken to reopen the closed mills as soon as possible. But it is the primary responsibility of the State Government and at least I expect that they must come forward with certain proposals. We cannot sit in a vacuum. So far I have not received any such proposal except proposals for general nationalisation which is not the panacea for all difficult situations and certainly is not going to be achieved within a month or two or three. The present crisis, as I explained that day, will continue for some time unless we are able to find a way out of it, say, for three months or so. After the next crop is available, we hope that the jute mills would get adequate supply of raw jute and that they would be able to start their work. But we are extremely anxious that some immediate solutions should be found. I would like to assure the House that as soon as I receive certain concrete proposals or even some proposals in any form from the State Government, we will try to call all the parties concerned—the mill owners, the workers' representatives and the State Government—and will try to find a solution to the present situation. I hope that the textile industry which is facing a very critical situation will get over it. It is a challenging job for the industry because it is suffering because of the obsolete machinery, excess labour, fluctuations in the prices of cotton and several other constraints, but I would like to assure the House that we will come soon to the House and spell out our policy statement in this regard and make all efforts to enhance the present level of its performance by modernising the industry as best as possible and as quickly as possible to improve its competitiveness in the world market so that our objectives and goals of increasing employment and earnings of the workers in this sector as well as our objectives of increasing the export earnings of the country and also above all

the goal of providing cheap and durable cloth to the common man is achieved.

I thank the Hon. Members for their highly constructive suggestions. I assure them that whatever specific points they have raised will receive our urgent and best consideration.

**SHRI THAMPAN THOMAS** (Mavelikara) : The Hon. Minister has mentioned certain things in detail about the textile industry, but one of the main, export items about the marine products, which has suffered a lot during the past few years, has not been touched upon. In the 70s there was a boom in the export of marine products, but in the 80s it has dwindled very much. Its export has come down to fifty per cent of what was exported earlier. It seems the Government has no scheme to give more preference to boost its export to earn more foreign exchange.

I would like to say that the import-export policy which the Government have now presented before the House and the country on the whole seems to be a shift from the earlier policy in the sense that the present policy will stay for three years. Apart from that very many relaxations have been given in this policy. But I wonder how these relaxations will affect the social and distributive justice. These concessions have no favourable implications in regard to these objectives. Rather these concessions will help the people who are engaged in this to earn more. Of course, the approach of the Government is to give these relaxation to enable more production and more export. But ultimately the benefit does not go to the common people. It will only go to a section of people who are controlling still the export market and mostly the money which they spend for exporting is from banks or by taking loans from Government sector. So, mostly the money involved in this business is the money of the Government, whereas the benefits go to the individuals and private sector. Therefore, a policy approach from the Government to reduce concentration of private sector in this is very much needed. My view and my suggestion in this matter is that as far as possible, the cooperative sector is to be encouraged. If the cooperative sector, the nationalised sector and the Government sector are encouraged in this matter, then the

exploitation can be reduced very much. When the Government has not said about the approach on that line where is the relaxation is given? I would like to point out that there is a relaxation given for import of machineries and the past experience is that when the import policy was relaxed in the case of chemicals, when the chemicals required here were imported from abroad, that had immediately caused a slump in the chemical industry. Many of the chemical industries which are producing chemicals here are suffering and many of the industries are under lock-up. In my State, chemicals industries are facing a very big crisis especially the middle-type chemical industries. Now, a new experiment is going to be made by the Government in importing machineries from abroad. If these machineries are being imported, then the most affected will be the companies like the BHEL or other Government undertakings. So, a balanced approach has not been made in this domain. My objection to the export-import policy is that the approach is to give relaxation without restriction and because of the relaxation, the section which is going to be benefited is the exporters and the private sector who handle their business with Government money and bank money. When people are involved in this business with the money of the Government or the bank, why can't the Government think in terms of involving directly rather than encouraging these people? Of course, may be the Government's view is to increase production and to have a higher rate of growth in national income. There cannot be two opinions that national income has to be increased and that has to be done. At the same time, the income which we receive has to be distributed to the common people. There is no approach of that type. I would like to point out that in the agricultural sector there was an increase of 11.4 per cent in production in the Sixth Five-Year Plan. But all the people in this country are not having one meal a day. Can the Government assure that the entire population in the country will be given at least one meal a day when we say that the country is self-sufficient in food and we are expecting the export of foodgrains? So, my submission is that first of all, the Government will have to establish credibility among the people that what they produce goes to them. Then only they can be involved in production with sincerity. When the Government brings out the present policy, they should give assurance

that distributive and social justice is given. There is no story of an exporter who has lost his business. He starts business only to become a multi-millionaire with the money of the bank or of the Government. If he loses in business, ultimately that is the loss of the bank. This money is of the tax-payer. The Government has not thought about this seriously. When concessions were given there should be some method to restrict them from exploiting. My submission is that there is no proper approach for social justice and distributive justice in the import and export policy. I fear very much because the industries in India will be affected by the present policy, just like what had happened when the Government decided to import chemicals from abroad. You know how it had affected the chemical industry in India. In the same way, the Heavy Engineering industry will be affected in the future days.

Secondly, when the import policy is changed and liberalisation is given and when more things are imported, it will end in joblessness. Now the present rate is that 26.85 million people are unemployed in this country and the Hon. Minister was submitting in his statement that at the end of the Seventh Five Year Plan, the rate of employment in the textile industry would remain the same. That means, for the next five years, there is a moratorium for employment in the textile industry which is the largest industry in the country where 8.65 lakh people are working. There would be no fresh appointment in that sector at all for five years. So, you can see how dangerous it is. This sector was giving employment for the people who were coming in search of jobs. Already the registered number alone is 26.8 millions. Therefore, your approach will ultimately end in disaster to the working class in this country. Therefore, my submission is that the Government should have a programme for re-employment and rehabilitation of the people who are thrown out of employment on account of mechanisation or nationalisation.

I will come to the very particular point regarding my State, i.e. Kerala. Kerala is very much in the export business. They are exporting most all the cash crops grown there. But there is no encouragement in this approach paper. There is no any sort of encouragement for the export of cash crops or commodities from Kerala. Coir product is an item which

is exported. 70% of the coir product is exported from Kerala. But still the traditional industry, the age-old industry where millions of people are engaged is in peril. The common man's living in the State and his women, children and family who are running that industry are now put to peril. The traditional industries like coir, handloom, cashew processing are all suffering a heavy set back. I would like to point out that there is a trend in my State to drive away these industries to the neighbouring States. This is also due to lack of Governmental coordination in this matter. The Government has failed to give a coordinated approach—whether the industry is running in Tamil Nadu, Kerala or Karnataka or any other State—and there should be a Centralised policy in this matter. If there is no centralised policy, there should be regional policy, at least. The industry is going away from one State to another State which causes unemployment in that State.

**PROF. N.G. RANGA (Guntur):** It is because of the mistake of the State.

**SHRI THAMPAN THOMAS :** It is not because of the mistake of the State but because of the absence of a regional policy in this matter. If there is a regional policy, at least, the cashew industry would have been there. If cashews were permitted to be imported or cashews were made available for workers in this area or re-scheduled in a manner which would have brought cashews in these areas, this situation would not have happened. For coir also, it is the something. For handloom also, it is the something.

I would like to refer at the end to some of the issues in my State. I would like to state in regard to marine products, cashews, coir, cardamom and rubber. For such cash crops, the Central Government will have to give necessary encouragement in this matter.

I will conclude that the overall approach in this paper is not for the common people but for a section of the people. It is for those who are having something. It is not for the workers; it is not for the common people. But it is for the people who are still controlling the nation. It is because their purse is big. They have access to the banks; they have access to money. They can control the

whole affair and relaxation given in this export-import policy will once again make them rich and richer. The poor will remain poor and poorer.

Mr. DEPUTY SPEAKER : Now I request the Hon. Minister of Finance to make a statement.

15.30 hrs.

STATEMENT—RE : GRANT OF INTERIM RELIEF AND ONE MORE INSTALMENT OF ADDITIONAL DEARNESS ALLOWANCE TO CENTRAL GOVERNMENT EMPLOYEES

[English]

THE MINISTER OF FINANCE AND COMMERCE (SHRI VISHWANATH PRATAP SINGH) : Sir, I would like to make an announcement regarding Interim Relief to the Central Government employees. Government had felt that having set up the Fourth Pay Commission it would be appropriate if that Commission considered the need for any relief of an interim character during the course of its deliberations. The terms of reference of the Pay Commission were therefore suitably amended by the Government in order to enable the Commission to submit a report of interim character in this regard. The Commission has now recommended an instalment of Interim Relief at the rate of 10 per cent of the basic pay of the employees subject to a minimum of Rs. 50/- per month to be paid with effect from 1st March 1985. They have further recommended that this amount of Interim Relief should be taken into account for determining the retirement benefits only and not for any other purposes.

Government have decided to accept this recommendation of the Pay Commission. The financial implications of acceptance of this recommendation of the Pay Commission will be about Rs. 327 crores per annum. This will benefit about 5 million Central Government employees including Armed Forces personnel, employees of the Union Territories and officers of All-India Services.

I would like to make another announcement which concerns the Central Government

employees. With the increase in average index to 576, Government have decided to pay an instalment of dearness allowance to the serving employees and dearness relief to pensioners with effect from 1-1-1985. The financial implications of payment of this instalment of dearness allowance and dearness relief are likely to be Rs. 81.6 crores and Rs. 9.3 crores respectively during the current financial year 1985-86.

MR. DEPUTY SPEAKER : We now take up Private Members' Business : Bills for introduction.

BEEDI AND CIGAR WORKERS  
(CONDITIONS OF EMPLOYMENT)  
AMENDMENT BILL\*

(Amendment of Section 2, etc.)

[English]

SHRI AJIT KUMAR SAHA (Vishnupur) : Sir I beg to move for leave to introduce a Bill further to amend the Beedi and Cigar Workers (Conditions of Employment) Act, 1966.

MR. DEPUTY SPEAKER : The question is :

"That leave be granted to introduce a Bill further to amend the Beedi and Cigar Workers (Conditions of Employment) Act, 1966."

*The motion was adopted.*

SHRI AJIT KUMAR SAHA : I introduce the Bill.

CONSTITUTION (AMENDMENT)  
BILL

(Amendment of Eighth Schedule)

[English]

SHRI HARISH RAWAT (Almora) : Sir, I beg to move for leave to introduce a Bill further to amend the Constitution of India.

\*Published in Gazette of India Extraordinary, Part II, Section 2, dated 26-4-1985