

DR. DATTA SAMANT : Sir, it is an important issue. So many workers are involved.

MR. SPEAKER : It cannot be done. You must have given notice. You should have given a notice if you were interested.

Now, Dr. A. K. Patel.

*]Translation]*

SHRI C. JANGA REDDY (Hanamkonda) : Mr. Speaker, Sir, we did not receive the statement of the Hon. Minister till 10.30 or even till 11 a.m.

MR. SPEAKER : What are you doing. Please read it. You do your work.

SHRI C. JANGA REDDY : We have come for work...*(Interruptions)*

We want that the employees of the Lok Sabha as well as those of the Ministry should work. The statement which should have been at the Notice Office or Lobby till 10.30 was not available there till 11.30 a.m.

MR. SPEAKER : You may read it now.

SHRI C. JANGA REDDY : How can we read it now.

MR. SPEAKER : You should have come here well prepared from home. Now you prepare your points. You may listen to it while he is reading it out before you.

SHRI C. JANGA REDDY : How can we prepare points by hearing.

MR. SPEAKER : The Hon. Minister is reading it out. Please do not delay it. Pay attention to him.

SHRI C. JANGA REDDY : You please impress upon them that there should be no delay in future.

MR. SPEAKER : I have already said that there should be no delay in future.

## CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

*[English]*

### Reported Crippling Effect of the New Textile Policy on Handloom, Powerloom, Textile Workers and Cotton Growers

DR. A. K. PATEL (Mehsana) : Sir, I call the attention of the Minister of Textiles the following matter of urgent public importance and request that he may make a statement thereon :

“Reported crippling effect of the new textile policy on handloom, powerloom, textile workers and cotton growers and steps taken by the Government in that regard ”

THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI KHURSHID ALAM KHAN) : Sir, The Textile Policy, which was announced by the Government on June 6, 1985, takes an integrated view of the Textile industry. In any discussion on its impact, one should hence take an overall view instead of a sectional view. It is too early to compute the impact of the textile policy which is being progressively implemented. However, I proceed to place before the House the present position regarding the segments of the textile industry to which the present Motion draws attention.

The average monthly production of yarn during the past nine months has been 119 million kgs. compared to 111 million kgs. last year. The availability of yarn of all varieties has hence been easy. The spinning utilisation has also gone up this year as compared to last year. The prices of yarn have come down and in case of hank yarn the weighted average price at the end of Oct. 1985 was lower by about 11%, as compared to the corresponding period last year. With the better availability and cheaper price of yarn, the handlooms have no problem regarding inputs. The production of handlooms during the six month period between April and September, 1985, has been higher by about 4% over last year. The high production has also been accompanied by higher sales. The allocation of production of janata cloth which constitutes a small fraction of the total handloom production has been increased from 360

[Shri Khurshid Alam Khan]

million metres to 420 million metres. The production of janata cloth has been allocated to States which are keen to find employment for the unemployed semi-skilled weavers. There is no compulsion or coercion to be exercised in the production of janata cloth.

The production of powerlooms in the six month period April-September this year has been 2846 million metres which shows a substantial rise over the production in the corresponding period of last year, which was 2663 million metres. There was a fall in the production of synthetic and blended cloth by the mill sector this year, as compared to last year probably on account of anticipation of price reduction envisaged in the policy. With the reduction of duties on polyester fibre, the production levels have been restored. The polyester filament units faced price resistance on account of high levels of profit margins being retained by the filament makers. With the sharp reduction in price of filament by the filament makers effected on 1st November, the situation in respect of polyester filament weaving units would also be rectified.

The organised industry had welcomed the textile policy. They will, however, have to become more efficient, reduce costs and improve the quality of the cloth. We do not expect all this to happen over-night. But the process of modernisation has started. This process will take care of the entire set of operations from ginning, spinning weaving, processing and marketing stages. This will serve to ensure health of the Textile Industry and increase its productivity; which is the best way to protect the interests of the workers and their employment in the long run.

The last cotton year witnessed a cotton crop of an unprecedented size of over 101 lakh bales. But, the size of the crop was matched by higher utilisation in the industry along with exports of the surplus varieties. The support prices to cotton farmers was effectively maintained. As an overall effect of the textile policy, it is expected that the total cloth production will grow and so will the consumption of cotton in spite of a growing share of synthetics. In any case,

the farmer is assured of a market for his cotton. The increase in the support prices declared for the current cotton season take into account the short fall in the medium staple cotton in the country.

The textile policy places the needs of the citizen and the interests of the country at the centre of its attention. So far, the results have indicated that we are moving in the right direction

DR. A. K. PATEL : Sir, the textile policy was announced somewhere in the middle of this year. Different sectors concerned with textile had high hopes on the outcome of this policy. But for these last few months, the results have been futile. People think that they have not benefited in the way they should have. In short, I say that this textile policy has turned out to be a still-born child.

While introducing the new textile policy the Government announced that cotton growers would be assured of remunerative prices and their interests would be looked after.

12.19 hrs.

[MR DEPUTY SPEAKER *in the chair*]

It also stated that progressively the man-made synthetic fibres will be made cheaper so as to make them available to the poor and to the middle-class people. It also announced that hand-looms would be more encouraged and a policy leading to more employment would be adopted. It was also suggested that gradually more and more modernisation will be adopted so that cloth requirements of the country may be met by efficient production. Even the Prime Minister said that import substitution will be set aside and the competition will be encouraged in the economy so that we will be able to stand against foreign competition. To encourage more employment, raw material will be taxed less than the intermediates and the final products.

Let me ask the Government whether it has followed these principles or it has done otherwise. Take, for instance, the plight of the cotton-growers. Has the Government given them remunerative prices before taking any steps for the new textile policy? Surely not. The Government started with

announcing tax reduction on synthetic fibre, issued liberally the licences for more and more production of synthetic fibres, allowing under OGL the import of polyester filament yarn and polyester staple fibre liberally; it declared the scheme of cheap Janata cloth in synthetic fabrics by NTC mills by tax-free fibres. But there was no announcement of support prices, no announcement of steps to permit freely the export of cotton, no assurance of having a machinery for effective support prices. And when, hesitatingly, the Government declared the support prices, it was very late. Recently, in Gujarat so many farmers collected together demanding payment of fair prices for cotton. Government must have noticed that. That is why I put these questions to the hon. Minister through you, Sir. We want to know from the Government whether it would allow freely export of cotton, whether it would raise the support prices of cotton at least by 20 to 25 per cent over the last year's support prices, whether it would make arrangement for effective implementation of remunerative prices to cotton-growers by adequate representation of farmers, and whether it would allow the synthetics in a controlled manner so as to safeguard the interests of cotton-growers.

MR. DEPUTY-SPEAKER : Mr. Janga Reddy. The Minister will reply at the end after all the hon. Members listed on the agenda have put their questions.

SHRI C. JANGA REDDY : He will forget the questions.

MR. DEPUTY-SPEAKER : He will remember. You put your questions.

SHRI KHURSHID ALAM KHAN : I can answer now.

MR. DEPUTY-SPEAKER : Not now. The procedure has been changed. We have decided that all the questions will be put first and finally the Minister will reply.

PROF. MADHU DANDAVATE : All the questions should be put today itself and not after one week.

MR. DEPUTY-SPEAKER : Today itself. This is Calling Attention.

PROF. N. G. RANGA (Guntur) : The new procedure is much better.

[*Translation*]

SHRI C. JANGA REDDY : Sir, the statement given by the hon. Minister on the textile policy is far from the truth. He is the Minister of Textiles; had the Minister of Agriculture been here, the real position would have been revealed.

I would like to know from you how much cotton has been purchased at the support price by the Cotton Corporation of India till today? How much cotton has been purchased by the Cotton Corporation in Gujarat, Andhra Pradesh, Maharashtra at the support price declared by the Government? The figures regarding it may be given.

In the cotton market of Warangal and Hyderabad in Andhra Pradesh, no one is prepared to buy cotton even at the rate of Rs. 450. The Cotton Corporation is doing nothing. They should have purchased cotton from the market at the rate of Rs. 550 because the traders are not prepared to buy cotton even at the minimum rate. There the rate is Rs. 420. In this connection we had organised an agitation in Warangal and carried out survey in the cotton market. The personnel of the Cotton Corporation pay visit there but they do not meet us and the farmers. They do not purchase cotton from the market on the plea that they have no arrangements for ginning and weighing. The personnel of Cotton Corporation, therefore, do not purchase cotton from the market.

I had said in the House in the month of August that the production of cotton would be more in Warangal and Hyderabad this time and as such arrangements should be made in advance to purchase cotton at the support price from the growers. In spite of that, no action was taken by the Central Government. One centre has been opened only at Warangal but there is no weaving machine there. The Chairman comes from Bombay by air or train but does not meet anyone. 40000 bales of cotton are arriving in the market daily but there is no purchaser. The traders are exploiting the farmers. The farmers cannot take the cotton back home. You have not provided facility for warehousing. The farmer has to sell his cotton at a price of Rs. 420, Rs. 430 or Rs. 450 i.e. at the price dictated by the

[Shri C. Janga Reddy]

trader. The agents of the Cotton Corporation just look on like spectators. We asked the reason from them in the Marketing Committee. They said that they had no arrangements and they could not procure. Therefore, how can your cotton policy be helpful to the cotton grower? If cotton is exported, you impose taxes on it. Excise duties should be abolished on the man made fabrics. Can we bring it under O.G.L.? If tax is levied on the cotton export, it will be paid by the farmer or the trader. In the international market.....

At least 15 minutes time should be allowed. How can we do justice in lesser time.

[English]

MR. DEPUTY SPEAKER : You please put question. The rule is only five minutes have to be allowed. You have to be precise.

[Translation]

SHRI C. JANGA REDDY : Sir, grant me the same time which was allotted to the first Member.

[English]

MR. DEPUTY SPEAKER : For the first Member it is ten minutes and for you it is only five minutes. I cannot allow more time.

[Translation]

SHRI C. JANGA REDDY : In five minutes it is not possible to deal with three subjects.

[English]

MR. DEPUTY SPEAKER : What can I do. You have to ask questions. The rule is for all.

[Translation]

SHRI C. JANGA REDDY : Have the rules been changed only in the case of cotton.

[English]

MR. DEPUTY SPEAKER : I am sorry, I cannot allow. The rule is for all.

[Translation]

SHRI C. JANGA REDDY : The farmer is undergoing sufferings. He has nothing to sustain himself. He cries in agony. If such a situation is not changed, the country would be doomed. Show some consideration to the farmer. We are narrating the plight of all the farmers, whether they are cotton growers or the sugarcane growers. But no action is being taken in this respect. That is why the country is passing through such a situation. Please give me some more time.

[English]

MR. DEPUTY SPEAKER : You please put the question. I have to follow the rules and regulations.

[Translation]

SHRI C. JANGA REDDY : Our cotton is in great demand in foreign countries. As such, there is need to change the export policy. Are the Government ready for it or not and if not, what is the reason therefor? The second question I would like to ask. . . .

[English]

Day by day and every year we are increasing.

[Translation]

What arrangements are being made to increase the exports as well as for the establishment of warehouses for cotton. What arrangements are you going to make to start granting credit which was stopped earlier? The import of man-made fabrics like polyester, nylon should be banned. The policy in regard to the cotton export should be changed. We want that Cotton Corporation should be instructed to streamline the procedure in regard to the purchase of cotton in the market at the support price to save the farmers.

[English]

PROF. MADHU DANDAVATE (Rajapur) : Sir, before I start putting questions to the Hon. Minister, I would like to remind him that in the last session of the Parliament, when I initiated discussion on the new textile policy, I had apprehended

certain fears and I would like to know from the Hon. Minister is it a fact that unfortunately I have been proved to be right. Those are the question that I will raise.

Is it a fact that as far as the new textile policy is concerned, on the aggregate you can say, that in an unequal competition, the handlooms are getting ruined? No. 2 : Because of the Polyester-cum-Filament yarn policy, the powerlooms are facing great difficulties.

No. 3—Because of the new type of sophisticated technology that we are importing and inducting in the textile industry, large scale unemployment in the organised mills is taking place

Lastly, because you have given more incentives in the form of excise duty to man-made fibres and synthetic fibre, in comparison, is it not a fact that the cotton fibre, has been relegated to the background and as a result of that, the cotton-grower has immensely suffered?

I will briefly summarise these four questions. I will spell them out very briefly in the time you have prescribed. . . .

**MR. DEPUTY SPEAKER :** Thank you. You have taken note of the time factor also.

**PROF. MADHU DANDAVATE :** With regard to handlooms, because you have removed all constraints and restraints on the capacity expansion of organised mills and power looms, is it not a fact that as apprehended, the handlooms are getting ruined in the unequal competition with the organised mills as well as the power looms?

Coming to powerlooms, after the fibre policy announcement in this House, You have gone a step further and you have again created a differential as far as duties on polyester fibre and filament yarn are concerned. And as a result of that, is it not a fact that the powerlooms which are required to utilise the filament yarn and since the duty on the filament yarn is not reduced, to a very great extent, the powerlooms in various sectors have immensely suffered? Not only that, I would ask the hon. Minister to take the entire House into confidence and tell us the facts; other-

wise, I will produce those facts. Is it not a fact that because they have reduced the excise duty on polyester fibre and not on filament yarn, there is large smuggling that is taking place from outside the country as far as filament yarn is concerned and since the powerloom owners cannot afford to utilise the smuggled yarn, you will find that many powerlooms are getting destroyed. I would like to know from him whether this is a fact or not. And in order to prevent such large scale smuggling, I want to know whether you will try to correct the aberration that is already existing.

Coming to cotton-growers, there are trends coming from Karnataka, Andhra Pradesh, Tamil Nadu and Maharashtra—you go to any part of the country where there is cotton growing activity—you will find that there is a tremendous discontent. This discontent cuts across partylines. I want to remind the hon. Minister that last time when I initiated a 10 hour debate on the new textile policy, 70% of the speakers from the Congress Party spoke totally against the new textile policy and particularly they opposed the attitude, the step-motherly attitude taken towards the cotton growers in the country. What has happened? They have given incentive to manmade fibre and the synthetic fibre as a result of which the cotton fibre is relegated to the background. You will be surprised and shocked to know that this year 103 lakhs of bales of cotton are lying there. Large sections of this cotton are not at all being removed. There is no demand for it. As a result of that, the area under cotton crop will fall. This is coming from Karnataka, Andhra Pradesh, Tamil Nadu and Maharashtra. Is it not a fact that the quality and nature of the soil where cotton is grown is such that though the cotton growth suffers, they cannot have alternative crops in this land? It is black soil. Therefore ultimately they will suffer in the long run. Therefore, two possibilities are there. One is : will you build up adequate buffer stocks so that cotton growers will be able to find a market? Alternatively, will you be prepared to accept the demand of almost all the cotton growers that more exports should be permitted?

**MR. DEPUTY SPEAKER :** Please conclude.

**PROF. MADHU DANDAVATE :** Only a few minutes more.

This aspect is there.

Coming to the organised textile mills, I will just incidentally quote from your own report. 13 lakhs of employees work in the organised textile mills. 32 lakhs of workers work in the powerlooms and 75 lakhs of workers work in handlooms. Therefore, 107 lakhs of workers out of a total of 120 lakhs workers work in the decentralised sectors of powerloom and handlooms.

If their interests are not guarded in that case you are in for trouble and content. Coming to the textile mills already from 13 lakhs the number has come down to 11 lakh and from 11 lakh it has come down to 8 lakh and if the greater degree of sophisticated technology is imported in that case in the coming years it is likely to go down to 5 lakh. That will create a large potential of unemployment.

Sir, if suljar looms are introduced in the spinning section in which 500 workers are likely to work that work can be done by 15 to 20 workers and there will be large-scale displacement of labour. Here I would like to say that a new problem is created in the processing section. Each cotton textile mill has a processing department and formerly there was a restriction that only the cloth that is manufactured by that particular mill was allowed to be processed by the processing department of that mill. You have removed that restriction and now according to the new rules the cloth produced in powerlooms and handlooms and mills is allowed to be processed in the cotton textile mills and as a result of that the processing mills are badly affected. In this connection I would like to know from the hon. Minister what concrete action he is going to take.

Sir, recently I have visited some of the processing units in Icha Karanji. I have already written a letter to your predecessor. Unfortunately, the portfolios are so flexible that by the time our letters reach the portfolios get changed and again you have to think afresh. I would like the hon. Minister to think what is happening in some

of the centres like Icha Karanji in Maharashtra and other places. The bureaucrats in their own rights and powers have issued certain directives. I will quote an interesting directive and its consequences in Icha Karanji in Maharashtra and some other centres. The Collector has sent a circular that as far as excise duty concession is concerned on the hand processing there is no excise duty and on power processing there is a duty. Now, what has happened is that a number of cooperative societies which have separate registration for handloom processing and powerloom processing the Collector has sent a circular that these be treated as composite units with retrospective effect. So, for six years they will have, to pay the arrears. These arrears come to Rs 70 crores. All are shouting. I have written to the Prime Minister and your predecessor and I am preparing to send a copy of the same letter to you. Therefore, please see this aberration is completely removed otherwise people will have to suffer.

Sir, I have put specific questions. Unfortunately, all are clubbed together. Therefore, in the end when the fourth Member asks his questions, I do not know, in the vault of your memory how many questions will survive. But I hope there will be survival of the fittest and my questions will be replied.

**SHRIMATI JAYANTI PATNAIK** (Cuttack): Mr. Deputy Speaker, Sir, in the textile policy it has been said that the mills which are not viable will be closed down. I would like to know whether the interests of the workers will be safeguarded. What is the guarantee from saying that the mill is not viable. Then, Sir, suppose the mills are taken over by the public undertaking from the private mill owners and if the pre-take over liability is very much of course, the post take-over liability will be taken care of then the performance of the mill is going to be affected. Will the hon. Minister look into this aspect otherwise the mills will be sick again. I am speaking from the experience of a mill in my own constituency, Orissa Textile Mill, which has been taken over by the public undertaking in 1981. It is one of the very good mills but its pre-take over liability is very much and the hon. Minister should look into it.

Sir, I would like to know from the Hon. Minister whether a high power committee has been appointed by the Government to look into the problems modernising the textile industry and identify the quantum of funds needed. If so, Please also tell us whether the Committee has met any time and what are its deliberations. If it has not met so far, kindly ask them why it has not met so far. When are they going to meet and what are the points to be discussed by them? About the polyester filament policy, government has already decided the procedure. How does the curtailment of TPA and DMT basic raw materials for polyester units and the hike of import duties affect the production? I would also like to know from the Hon. Minister whether in the wake of the apprehension of the duty structure will it enthuse the synthetic fibre industry to utilise broadbanding and other facilities granted by the Government. The Hon. Minister may also clarify whether the duty free polyester fibre to NTC mill to provide low priced fabrics (shirting and trousers) materials, has been encouraged. Why has the Government ignored women population in the country in the matter of producing low priced sarees.

Now, I would like the Hon. Minister to clarify certain points regarding cotton growers. Many members have already spoken on this point. The cotton growers do not get any benefit.

**PROF. MADHU DANDAVATE :** Ask the Hon. Minister why he is mill chauvanist.

**SHRIMATI JAYANTI PATNAIK :** Now, may I also request the Hon. Minister to tell us whether the Government have any proposal for setting up a broad-based Cotton Board to balance the interests of cotton growers and trade and the mills? Please also tell us whether some State Governments have demanded electrification of handloom weaving sheds so that this concept of modernisation can assist the weavers' household members in weaving at their spare time. I would also like to know whether the State Handloom Corporations have lost a heavy amount on Janata cloth as the costing formula has not been revised upward making inroads in the share capitals and whether the cooperative society has also lost a heavy amount due to same reasons.

I would also like to know whether the handloom weavers face a shortage of cotton and therefore the spinning mills are badly affected by closure of powerlooms. The stocks have risen sharply and the Government's decision to supply duty-free polyester to mills through the N.T.C. might have adverse effect on cotton output. Sir, now the Government is granting licence to the spinning mills even in the cooperative sector. But the financial corporations like the IDBI do not come forward to sanction funds for this purpose. They are saying that the country has already got enough spinning mills and there is no need to have more. I do not know what is the policy of the Government. How would the government expect the cooperative societies in the handloom sector to function without financial assistance? That is the reason why some mills have not yet started functioning. When the Government given licence, they give them proper assesment only.

Sir, I would also like to know from the Government whether there is any proposal as suggested by the States to share the cost of modernisation between the Central and States Governments on 50:50 basis. Lastly, I would like to inform the hon. Minister that while some of the NTC mills are losing heavily, there are some mills which are doing very well. The Bhagatpur Cotton Mill in Orissa has done modernisation and they have installed spindles. They have been given instructions to recruit workers to run the mills. But now there is a ban on recruitment. What is the use of spending a huge amount of money on modernisation and on other establishments? I would request the hon. Minister kindly to do something urgently in this regard.

**THE MINISTER OF STATE OF THE MINISTRY OF TEXTILE (SHRI KHURSHID ALAM KHAN) :** Mr. Deputy-Speaker, Sir, I would like to mention that the textile policy was announced only in June 1985 and it would really be necessary to give this policy a fair trial and then only come to some conclusions about it. At this stage, I suppose, it is too early to come to any conclusion regarding the textile policy and, therefore, I would plead with the hon. Members to give this matter

[Shri Khurshid Alam Khan]

a little more serious though and then come out with their suggestions if there are any.

PROF. MADHU DANDAVATE : If cancer is detected in time, only then it can be prevented.

SHRI KHURSHID ALAM KHAN : I would assure the Hon. Member that it is not cancer, but it is *amrit...*(*Interruptions*)

MR. DEPUTY-SPEAKER : No interruptions please; the Minister is not yielding.

SHRI KHURSHID ALAM KHAN : About the Janta cloth, I would like to mention that even in the year 1985-86, we have added 60 million meters for the Janta cloth and this has been given to such States which were asking for additional Janta Cloth Production. It has also been made clear that those handloom weavers who are producing value-added cloth need not take up production of Janata cloth. In fact, there are still about 20 per cent handlooms which are dormant. It is better that they get these additional weaving facilities. In the policy, it has been mentioned that the total Janata cloth will be transferred to the handlooms during the 7th Plan period and this 60 million meters has been the beginning.

As regards cotton, I quite appreciate the anxiety expressed by hon. Members. The total cotton production which is likely during this year is...

PROF. MADHU DANDAVATE : 103 lakh bales

SHRI KHURSHID ALAM KHAN : More than that. The position was like this. We had about 24 lakh bales in the opening stock on 1st September, 1985. The crop for 1985-86 is estimated to be 95 lakh bales and 75000 bales were imported from Pakistan last year—these were of medium staple cotton. This made up a total of 120 lakh bales. Now, the mill consumption will be 86.5 lakh bales; ex-factory consumption is 4.65 lakh bales and for exports, we anticipate anything between 3-5 lakh bales.

As regards pricing of cotton, I would like to mention that this is done by the A.P.C.

PROF. MADHU DANDAVATE : But it is the same Government.

SHRI KHURSHID ALAM KHAN : That is true. (*Interruptions*).

MR. DEPUTY-SPEAKER : Let him finish first.

SHRI KHURSHID ALAM KHAN : One thing that I would like to mention is that our cotton prices are still higher than the international prices today. This is the position with regard to pricing.

[*Translation*]

SHRI C. JANGA REDDY : How can we compare it with the international price? You tell us what is the rate there and what is the cost of production there?

SHRI KHURSHID ALAM KHAN : Either you allow me to speak or you speak yourself.

SHRI C. JANGA REDDY : You tell us what is its rate in the international market and what is the rate prevailing here?

SHRI KHURSHID ALAM KHAN : It is 25 per cent higher.

[*English*]

Now, the Cotton Corporation has purchased about 72,000 bales so far during the current season and the Cotton Corporation has a programme to purchase 15 lakh bales. The reason for delay in the purchase programme was that they were waiting for the new cotton prices, which have now been announced. Now, the purchases have been announced. I would like to mention for the information of the hon. Member that a special team is going to Andhra Pradesh tomorrow and they will be in Warangal tomorrow to sort out the problems of purchase of cotton in Andhra Pradesh. This will be done.

SHRI C. JANGA REDDY : How many bales are they going to purchase from the Warangal market and what is the rate?

MR. DEPUTY-SPEAKER : I request the hon. member to address me. There is no and to it. The discussion cannot go on like this.

**SHRI KHURSHID ALAM KHAN :** The special team is going to Warangal tomorrow in order to make an assesment of the availability of cotton bales there and work out purchase programme. This team will comprise the Chairman of the Cotton Corporation, a representative of the Textile Ministry, a representative of the Agriculture Ministry and officers of the State Government.

**SHRIMATI BASAVA RAJESWARI (Bellary) :** Are they visiting Karnataka also ?

**SHRI KHURSHID ALAM KHAN :** As and when necessary, they might visit Karnataka also. Special instructions have been issued to the Cotton Corporation to start their purchasing operations immediately on a large scale.

**SHRI V. S. KRISHNA IYER (Bangalore South) :** It is very necessary for them to go to Karnataka.

*(Interruptions)*

**MR. DEPUTY-SPEAKER :** I will not allow Shri Janga Reddy to speak like this. Let the Minister answer first. You may seek clarifications later.

**SHRI KHURSHID ALAM KHAN :** Prof. Dandavate's special reference was about the filament prices. I would like to mention here that the duty on the polyester staple fibre was reduced and the reduction in price was about 20 rupees. But at the same time, the filament makers did not reduce their prices and we did not reduce the duty on that because we felt that their margin of profit was fairly high. Therefore, they themselves, from 1st November, have reduced it by Rs. 15 to 20. So, it has been brought down. No doubt, the difference in the prices of the staple fibre and the filameut is always high. It is not only in our country but in all the countries.

**DR. DATTA SAMANT (Bombay South Central) :** It is double.

**SHRI KHURSHID ALAM KHAN :** If you give more little time, I will myself tell you. The price of staple fibre is about Rs. 75 per KG and the price of filament yarn is about Rs. 163.50 per KG.

**PROF. MADHU DANDAVATE :** What about smuggling ?

**SHRI KHURSHID ALAM KHAN :** I hope the learned professor knows that I have never been connected with this sort of business.

**PROF. MADHU DANDAVATE :** If I ask you a question on that, do you think that I am connected with smuggling ? This is very obvious. All economic journals have said that smuggling has increased to a great extent.

**SHRI KHURSHID ALAM KHAN :** I am sure that our learned professor will realise that those responsible for stopping smuggling will certainly do that. And I will refer this matter to them. They must do it I agree entirely with the professor thate it must be stopped.

A scheme for better ginning of *kapas* has also been introduced. This was introduced in order to improve the quality of the cotton and in this I am very glad to say that all the NTC mills, all the leading mills and the East India Cotton Federation and the Maharashtra Cotton Federation have joined. This will enable us to have better quality cotton for the mills and at the same time, the revenue for the ginning mills will also be slightly improved.

I would like to give the figures here for the production of cotton cloth in million metres.

Year	Mills	Powerlooms	Handlooms
1985	1307	1700	1560
1984	1306	1599	1496

So it would be obvious from these figures that the powerlooms and handlooms have produced more fabric during this year from April-September.

**PROF. MADHU DANDAVATE :** There is a lacuna here. When you compare them with the capacity that is there, you will find that with better facilities and less competition with the organised mills and better policy of the Excise Duties, they would have produced for better.

SHRI KHURSHID ALAM KHAN : I am sure that this is the beginning and I think that the results will be still better. Hon. Prof. Dandavate has also made a suggestion, that is buffer stock for cotton. I think it is a good suggestion and certainly it will receive our consideration.

As far as the interest of the workers are concerned, I can assure this House, that it will be taken care of in every way and even a special scheme is under consideration when it would be possible to provide rehabilitation grant to the workers in such a fashion that even if they are retrenched, we would try to ensure that the retrenchment is without tears as has been done in Gujarat very recently.

DR. DATTASAMANT : Sir, already 1.5 lakh workers are out during the last 6-7 months. They are begging. There is no gratuity for them. Now, you are talking of compensation and everything. When it would be given? Is it after their death? The organised sector is benefited, The workers are retrenched and they are thrown out of the organisation .....

*(Interruptions)*

MR. DEPUTY SPEAKER : Mr. Samant please sit down.

SHRI KHURSHID ALAM KHAN : As regards the closing of the non-viable mills, action has been initiated to set up special group. A nodal agency will examine every case and then only it will take the decision into which mill has to be included. At the same time, if any mill is to be closed because of industrial troubles, then as you know it has to be referred under the Industrial Disputes Act to the State Government and then the State Government will have to take a view after examining the whole question whether there is any justification for closing it or not.

The hon. lady Member has mentioned something about the PTA and DIT. This is something in which neither my Ministry is concerned, nor have I to do anything because it is either the Petroleum Ministry or the Industry Ministry which has to take the decision, if at all any decision has to be taken.

The hon. lady Member has also mentioned that new spinning mill are not allowed to be set up. Here I must mention that the Planning Commission's view is that there is adequate capacity already available in the country for the spinning mills and therefore they are not in favour ..... *(Interruptions)*

SHRIMATI JAYANTI PATNAIK : But licence has already been given that is the case. If you have not assessed, then why you have given the licence? That is the thing.

SHRI KHURSHID ALAM KHAN : Licence has been given. It is for you to tie up with the financial institutions and get the money and put up the mill.

SHRIMATI JAYANTI PATNAIK : The IDBI is not giving money.

PROF. MADHU DANDAVATE : The Chief Minister of Orissa had already assessed the position and made the recommendation. She is feeling shy to tell you that.

SHRIMATI JAYANTI PATNAIK : I am here as a Member, not as the wife of the Chief Minister ..... *(Interruptions)*

SHRI KHURSHID ALAM KHAN : I think, I have explained all the points raised by the hon. Members. Now we will go for lunch and we will meet again at 2.00 P.M.

*The Lok Sabha adjourns for lunch till  
Fourteen of the Clock*

*The Lok Sabha re-assembled, After  
Lunch, at four Minutes Past Fourteen  
of the Clock*

[MR. DEPUTY SPEAKER *in the Chair*]

[*English*]

MR. DEPUTY SPEAKER : Now Matters under Rule 377. Shri Ram Pyare Panika

[*Translation*]

SHRI C. JANGA RADDY (Hanamkonda) : Mr. Speaker, Sir, we wanted to seek clarification because we did not get full reply to our questions.