

Sabha at its sitting held on the 18th December 1968 and transmitted to the Rajya Sabha for its recommendations and to state that this House has no recommendations to make to the Lok Sabha in regard to the said Bill."

18.41 hrs.

HALF-AN-HOUR DISCUSSION

Closed Textile Mills

MR. SPEAKER : The Half-an-Hour discussion is arising out of an answer given by the Minister about textile mills. Shri Kandappan raised it yesterday. I allowed him to do it and the Minister replied to it. Evidently, Shri Damani was not here yesterday. There is a subject which is coming up almost every month. Anyways, instead of spending half an hour over this, as Shri Sambhali cooperated, you also raise it in two minutes and the Minister will give you information if there is any.

SHRI S. R. DAMANI (Sholapur) : Sir, I am very grateful to you for allowing me to place the difficult position of the textile industry before the House. The textile industry is situated in nearly all parts of the country and the mills which are closed down at present are mostly in small towns. The spinning mills are also situated in mofussil areas. The economy of those small towns entirely depends on the employment given by textile mills. Therefore, those towns have suffered a great set-back due to the closure of those mills. As you have asked me to be very brief, I will not elaborate too much but I am going to touch some important points which have caused the difficult position of the textile industry.

The main reasons which have got the industry in a difficult position are firstly, substantial increase in the cost of production; secondly, heavy and irrational excise duty policy; thirdly, inadequate funds for modernisation; fourthly, competition from man made fibres; and fifthly, slackness in internal demand.

Regarding substantial increase in the cost of production, I would like to mention that the index number of cotton, which is the raw materials for yarn and cloth, in 1963 was 177 and it has gone up to 173

in 1968. That means there was an increase of 48 per cent in the price of cotton. Cotton constitutes fifty per cent in the price of cloth produced and this is reflected in an increase of 20 per cent in the price of cloth.

Coming to wages, wages constitute about 25 per cent of the cost of production of cloth and yarn. The increase in wages in the last five years in Bombay was 61 per cent, Ahmedabad 67 per cent, Madras 41 per cent, Kanpur 50 per cent, Delhi 64 per cent and Bengal 65 per cent. This has increased the cost of production of cloth by 15 to 16 per cent.

Twenty per cent increase in cotton prices and 15 to 16 per cent in wages, in total 36 per cent increases has taken place in the cost of production of cloth and yarn. Against this, the index number of cloth prices-whatever figures I am giving are from Government statistics-in 1963 was 132 and now in 1968 is 156. The increase in the sale price of cloth is twenty per cent against the rise of 36 to 40 per cent in the cost of production. That means, the industry has to absorb 15 to 16 per cent of the cost of production. That has brought the industry to this present condition. This is one substantial reason why the cost has gone up and the industry is suffering.

Secondly, I have mentioned excise duty as one of the main reasons which have put the industry in a difficult position. Excise duty in 1955-56 was only Rs. 28 crores; now it has gone up to Rs. 117 crores an increase of about 4 times whereas production has gone up only 25 per cent. So, this has also put a burden on the textile industry.

About the profitability, I would like to give the Reserve Bank figures which have been published recently. In 1960-61, the total production was 611 crores and profit before tax was about 45 crores. Now, in 1967-68, the production has gone up to 901 crores and profit has come down to only Rs. 17 crores. While the production has gone up, the profit has gone down. At that time, the percentage of profit was 7 per cent and now it has come down to 2 per cent only. The margin of profit has gone down.

About the excise duty, I would like to give one or two examples. For 50s count the excise duty is Rs. 3.50 P. per kilo and the excise duty on 100s count is also Rs. 3.50 P. The selling price of yarn of 50s count is Rs. 12 and of 100s count is Rs. 30. On Rs. 30, the excise duty is Rs. 3.50 P. and on Rs. 12 also, the excise duty is the same.

One more thing is interesting. On the 50s count which is produced out of Indian cotton, excise duty is higher and on the 100s count which is produced by imported cotton, Egyptian cotton, is lower. This is a disincentive for using the indigenous cotton. We have to import more cotton. On indigenous cotton, there is heavy excise duty. The growers are not benefited. They get less price. That is a discouragement to the grower of the cotton because of the excise duty. There are so many anomalies. If they are corrected, the production of cotton will improve and also our import will go down.

I would like to give a few suggestions. I am only trying to touch major problems which the industry is facing.

MR. SPEAKER : Minor problems you can tell him privately.

SHRI S. R. DAMANI : Sir, in 15 years the industry has made a profit, including depreciation, of about Rs. 420 crores and they have invested Rs. 410 crores for modernisation. So, the industry is not left with any funds to keep as reserve. They have entirely used the profits, including depreciation, modernisation. But that is not sufficient for 600 mills. An amount of Rs. 410 crores is not sufficient for modernisation. The main thing is, unless the cost of production goes down, the industry cannot prosper. The industry requires funds for modernisation. The Government has established the Textile Corporation. One year has passed. The Chairman has been appointed and the Directors also have been appointed. But it has not started functioning. So, I would suggest that the Textile Corporation should help the industry from modernisation and also help the weak mills which are closing down. Let it go

out to finance them for modernisation. That will also help the textile machinery manufacturers. At present, the textile machinery manufacturers are not getting sufficient work. As against their capacity of Rs. 30 to 40 crores annual production, they are producing only Rs. 12 to 15 crores worth of machinery. They will get work and our raw material will be used. The industry will be modernised if the Textile Corporation takes up the things.

Firstly, there should be the deferred payment facilities for the industry, for getting plant and machinery for modernisation. Secondly, it should take some mills which are situated in small towns, run them and modernise them.

I think, the Government will consider all these things with this end in view that our Indian cotton growers should get incentives. Therefore, I want to suggest that excise duty on the cloth produced by Indian cotton should be less and the excise duty on the cloth produced by imported cotton should be more. (*Interruptions*). There should be a difference in the excise duty levied; the excise duty, as I said, on the cloth produced by imported cotton should be more and the duty on the cloth produced by Indian cotton should be less. This is very essential and this will help the Indian cotton growers.

SHRI S. M. BANERJEE (Kanpur) : An assurance was given in this House and also outside by the Deputy Minister and also by the Cabinet Minister that Government had finally taken a decision to take over the New Victoria Mill at Kanpur, and I was also told that the Authorised Controller had been appointed. But today a delegation has come from Kanpur and informed me that the Mill has not yet been taken over. I would, therefore, like to know what positive action has been taken against that particular mill.

श्री कंबरलाल गुप्त (दिल्ली सदर) : अध्यक्ष महोदय, सरकार की जो टेक्सटाइल-मिल्स के बारे में नीति है वह सफल नहीं हो रही है, फल हो गयी। और आज 80 के करीब मिल्स

[श्री कंवरलाल गुप्त]

बन्द हैं तथा 17, 18 मजदूर बेकार हैं। अगर मिल बन्द रहें तो करीब 50 करोड़ रु० का नुकसान सरकार को ऐक्साइज के रूप में होगा। तो मैं जानना चाहता हूँ कि जो मिलें बन्द होगई हैं इनको कोम्पारेटिव सेक्टर में मंत्री जी खोलेंगे या सरकार कोई कोरपोरेशन बना कर इनको चलायेगी ?

दूसरी बात मैं यह जानना चाहता हूँ कि यार्न के लिए कोई बायर नहीं मिलता तो क्या यार्न का कोई बफर स्टॉक सरकार बनायेगी और विदेशों में यार्न का मारकेट ढूँढेगी ?

श्री प्रकाशबीर शास्त्री (हाउड) : अध्यक्ष महोदय, सभी मंत्री महोदय से जानकारी मिली है कि इस समय कुल मिलाकर देश में 59 मिलें कपड़े की इस प्रकार की हैं जो बन्द पड़ी हैं और 60, 65 हजार के बीच में मजदूर, पुरुष और स्त्री हैं कि जो इन मिलों के बन्द होने से बेकार होगए हैं। पिछले 20 वर्षों में भारतवर्ष ने जो उन्नति कई क्षेत्रों में की है— जो चीज की बाहर भेजकर विदेशी मुद्रा देश कमाता था उनमें सूती कपड़ा भी था। लेकिन सरकार की गलत नीति के कारण यह सूती कपड़ा उद्योग संकट में पड़ गया है। मैं जानना चाहता हूँ कि क्या सरकार इस सम्बन्ध में कोई एक उच्चस्तरीय कमीशन बैठाने का विचार कर रही है जो इन तमाम बातों पर निर्णय ले सके कि उत्पादक को भी कोई हानि न हो, उद्योग को भी कोई हानि न हो और देश जो निर्यात की स्थिति में आ गया था उससे कुछ आगे बढ़ सके, उससे पीछे न जाना पड़े। साथ ही जो मजदूर बेकार हो गए हैं उनको भी कोई दूसरा रोजी का प्रबन्ध हो सके, इसका कोई निश्चय सरकार ने लिया है ?

श्री भोलाभाब मास्टर (अलवर) : मैं दो प्रश्न पूछना चाहता हूँ। रिजर्व बैंक आफ इण्डिया ने एक बंकिंग ग्रुप फाटन मिस्स को क्रेडिट फैसिलिटिज देने के बारे में बनाया था

उसके बारे में क्या कार्यवाही हो रही है ताकि इन पुरानी मिलों को रूपा किया जाय और उनको मोडर्नाइज किया जाय उसके लिए सरकार क्या कार्यवाही कर रही है। मुझे यह भी इत्तला मिली है कि जो हमारा फोरेन मार्केट था, इण्डोनीजिया वगैरह उस बहुत बड़े मार्केट को पाकिस्तान ने कँचर कर लिया है। इस सम्बन्ध में मंत्री महोदय क्या कार्यवाही कर रहे हैं। और जहाँ पर टैक्सटाइल कोरपोरेशन जिन राज्यों में नहीं बने हैं वहाँ जल्दी से जल्दी कोरपोरेशन बनवाने के बारे में सरकार क्या कार्यवाही कर रही है ?

श्री तुलसीदास जाधव (बारामती) : 59 मिलें बन्द हैं और करीब 50, 60 हजार मजदूर आज बेकार हैं। मिल बन्द होने से उसके जो थ्रोनर्स होते हैं उनको तो कोई रोजाना अपने जीवनयापन में दिक्कत नहीं होती है। लेकिन वर्कर्स मूखे रहते हैं क्योंकि वे बेचारे तो रोजाना कमा कर खाते हैं। तो इस बीमारी को समाप्त करने के लिए कोई निधि सरकार बनायेगी जिसमें पैसा निकाल कर इन मिलों को मोडर्नाइज किया जाय ?

जो मिलें ऐसी पड़ी हुई हैं, नेशन की प्रापर्टी धूल में मिल रही है, जैसे कि शोलापुर की मिल है वह चार पांच साल से पड़ी हुई है, दो करोड़ की उसकी लागत है लेकिन सरकार कुछ भी नहीं कर रही है, तो सरकार उन मिलों को चलाने और मजदूरों की ब्यवस्था करने का कब खयाल करेगी ?

SHRI P. M. MEHTA (Bhavnagar) : Mr Speaker, Sir, in a medium sized city like Bhavnagar, one will namely, the Mahalaxmi mill has been closed, since 1½ years and now 2200 workers are made unemployed. There was an investigation committee appointed by the Government of India. That committee held that the closed units is an economic unit and the State Government has recommended the appointment of an authorised controller to take over the mills.

In view of this I would like to know from the Minister when the Government of India will appoint the authorised controller to take over the Mahalaxmi mills.

श्री देवराव पाटिल (यवतमल) : अध्यक्ष महोदय, मिल बन्द होने का कारण दिया गया घाटे में चलना लेकिन क्या कपड़े के भाव की तुलना में कपास के भाव बढ़े हैं ? यह तो मिल मालिकों का और टैक्सटाइल कमिश्नर का एक नाटकीय प्रचार है और यह बात बिल्कुल झूठ है। रिजर्व बैंक की बुलेटिन से पता चलता है कि 15 सालों में कपड़े के भाव तो बढ़े हैं लेकिन उसकी तुलना में कपास के भाव बिल्कुल नहीं बढ़े हैं। दूसरी बात यह है कि उनको फिक्स्ड प्राइस पर काटन मिलती है। मैं पूछना चाहता हूँ कि जो किसान हैं जो कि कपास पैदा करते हैं जिससे कि मिल चलती है, उस कपास के लिए क्या सरकार ने स्पोर्ट प्राइस, सहायक मूल्य निर्धारित किया है ? किसान अपनी कपास जो मार्केट में बेचता है क्या उसके लिए आपने सहायक मूल्य निर्धारित किया है ? मेरी यह मांग है कि सरकार कपास के लिए सहायक मूल्य निर्धारित करे।

SHRI S. KANDAPPAN (Mettur) : I had occasion to raise this day before yesterday. I did not get a satisfactory answer.

MR. SPEAKER : Are you sure you are getting it today ?

SHRI S. KANDAPPAN : I can get the satisfaction that I have done my best. I would like to draw the attention of the Government to the burning problem that is there particularly in Tamilnadu. It has become a grave problem to us, because of the labour unrest that this thing is causing. Apart from what my hon. friend Shri Kanwar Lal Gupta has pointed out, it may definitely, lead to a substantial reduction in the excise that we are getting. In view of this, I would like to know what they are going to do in the matter. For the past more than a year or so they have been

telling us that they are very much alive to the problem. We had occasion to meet the Minister, Shri Dinesh Singh and also Shri Qureshi and we pointed out about the various problems, the labour issue, and all that. On these occasions we were given to understand that they did propose to have a corporation which will look after all these things and if necessary the Corporation will be empowered to take over the mills. But of late, I am hearing a different story. That is, that the corporation is not going to take over all the mills. Sir, I would like to have a categorical answer from the hon. Minister. If they are not in a position to compel the employers or the proprietors to run the mills what is the other alternative ? The only alternative is that they have to take over the mills. So, I would like to know from the Government whether they are prepared to come forward to take over the mills ? After all, Sir, the capacity that is created in this country is not a very much surplus capacity. So I think the Government, by a rational organisation, can cope up with the problem and they should be prepared to take over the mills.

If the Centre is not prepared, the other alternative which I would like to suggest is to ask if they are prepared to concede the demand of the State to take them over if they could be financed by the Centre for that purpose.

19 hrs.

SHRI R. D. BHANDARE (Bombay Central) : Since there are a number of mills closed in Bombay due to mismanagement of the directors and managing agents, may I ask Government what action is proposed to be taken immediately against those managing directors and managing agents, and secondly, what relief is sought to be given to the mill workers of Bombay who are unemployed for a long time and whose numbers run into thousands ?

THE DEPUTY-MINISTER IN THE MINISTRY OF COMMERCE (SHRI MOHD. SHAFI QURESHI) : This matter has been discussed many a time in this House and I need not go into the details elaborately.

MR. SPEAKER : It is a very difficult problem.

SHRI MOHD. SHAFI QURESHI : So far as the Mahalakshmi Mills is concerned the report of the State Government is under Government's consideration and a decision will be taken soon.

Regarding the New Victoria Mill's referred to by Shri Banerjee, a decision has been taken to take it over. The matter is under the consideration of Government and I assure the hon. Member it will not take much time before it is taken over.

SHRI S. M. BANERJEE : (Kanpur) : Let him please not allow me to raise a question about it next session.

SHRI MOHD. SHAFI QURESHI : No, before that it will be done.

SHRI S. KANDAPPAN : I could not name the mills in my State because they are many.

SHRI MOHD. SHAFI QURESHI : Shri Kandappan raised the question about the mills in Tamil Nadu. The Central Government has already granted Rs. 50 lakhs as relief to the mills there.

SHRI S. KANDAPPAN : That is a drop in the ocean.

SHRI MOHD. SHAFI QURESHI : The question was asked whether we would take over the mills, this will cover the question of Shri K. L. Gupta also.

यह जो टेक्सटाइल कारपोरेशन है वह मरीज मिलों का अस्पताल नहीं है कि आप ऐसा समझें कि यहां तमाम मरीज मिलों को इकट्ठा करके रख दें और इस कारपोरेशन को उनका अस्पताल बनायें। यह कारपोरेशन उन्हीं मिलों को लेगा जो कि चल सकें। कुछ मिलें ऐसी भी हैं जिनमें 80-80 साल की पुरानी मशीनें पड़ी हुई हैं, मजदूरों की वजह से खराबी पेश हो गयी है। कुछ मिलों में जानबूझकर मिसमैनेजमेंट हो रहा है, तो यह तीन चार चीजें हुकूमत के जेर-

गौर हैं। अगर श्री कंबर लाल गुप्त समझते हैं कि महज सिक मिलों की एक कारपोरेशन बननी चाहिए और वह ऐसी मिलों का एक अस्पताल रहे तो मैं उन्हें बतलाना चाहता हूँ कि इस तरह से वह सेहतयाब नहीं हो सकेंगी और जैसा कि मैंने कहा हम इस कारपोरेशन को मरीज मिलों का अस्पताल नहीं बनाना चाहते हैं। हुकूमत तमाम वाक्यात को देखेगी, एकोनॉमिक प्वाएंट प्रोग्राम से इस सवाल को देखेगी कि कौन सी और किसकी मशीनरी अच्छी है और आया उस मिल का चलना वायेबिल है या नहीं। जिसको वह वायेबिल समझेगी उसको हुकूमत चलायेगी और जिसे समझेगी कि वह अनेकोनामिक है और उससे घाटा होगा उसको वह स्क्रैप करेगी।

जहां तक इस सवाल का ताल्लुक है कि हुकूमत ने इसमें क्या क्या कदम उठाये हैं तो मैं आप से बतलाऊं कि जहां तक रिजर्व बैंक का ताल्लुक है रिजर्व बैंक की यह स्कीम थी कि वह जो वर्किंग ग्रुप बनाया है उसने रिजर्व बैंक के पास सिफारिशात की थी रिजर्व बैंक ने उसकी तमाम सिफारिशात को माना है। यह भी उन्होंने सिफारिशात की है कि जो हार्डपोथि-केशन करते हैं और जो एडवांस करते हैं कर्जा वगैरह 5 परसेंट की दर पर उनको वह सूद दिया जाय। अब शरह सूद में यह काफी कटौती हुई है।

और दूसरी जो बातें इसमें हुई हैं जैसे कि दामानी साहब का प्वाएंट भी इसी में आ जायगा, दामानी साहब जो कहते हैं कि कौस्ट ग्राफ प्रोडक्शन भी हार्डि न हो, उनको कपास भी मुफ्त में मिले, और उनको फायदा ही फायदा हो मेहनत व मजदूर भी मुफ्त मिलें, तो सरकार उनकी इस स्वाहिशा को भी मंजूर नहीं कर सकती है।

SHRI S. R. DAMANI : He should not misunderstand me. I said that the cost of production is more than the sale price.

