

50,000 people. Sir, that is the measure of the number of visas which are granted. The figure of 1766, if you kindly see the Statement, is the figure of the number of persons who came from Pakistan and who are untraceable, as on 1.4.87. Obviously, therefore, this is a cumulative figure.

**SHRI SYED SHAHABUDDIN:** What about the State-wise break-up ?

**SHRI P. CHIDAMBARAM:** State-wise I can give figures, but I would not attach too much dependability to these figures. I can show you later on.

**SHRI K. RAMACHANDRA REDDY:** When the Pakistani national come here, some of them disappear. You cannot expect them to disappear in the air. There should be somebody to back them up. Is there any organisation, or association or gang working for them? Has the Government come across any association or gang which is helping these people, which is harbouring these people? If so, has any action been taken against them or not?

**SHRI P. CHIDAMBARAM:** Sir, I am not aware of the situation where any organisation gives them succour and help. I think a lot of people, who come here, have family connections, families which were divided during partition and then there are relationships which have developed through marriage. I think they somehow find people to support them for a certain period of time, but I am not aware of any organisation which actively draws them here and support them.

#### **Study on Sector-wise Targets of cloth Production.**

\*164. **SHRI BANWARI LAL PUROHIT:**  
**SHRI SREENIVASA PRASAD:**

Will the Minister of TEXTILE be pleased to state:

(a) whether Government have recently constituted a Working Group to examine the sector-wise targets of cloth production in the

country during the Seventh Plan;

(b) if so, by when the Working Group will complete its study and send recommendations to Government; and

(c) to what extent the target of the cloth production in the country is achieved?

**THE MINISTER OF STATE OF THE MINISTRY OF TEXTILES (SHRI RAM NIWAS MIRDHA):** (a) to (c). A statement is given below.

#### **STATEMENT**

(a) Yes, Sir.

(b) The Working Group has since submitted its report on revision of inter-sectoral targets of cloth production to be achieved by the terminal year (1989-90) of the Seventh Plan period.

(c) A total cloth production of 12777 million metres has been achieved during 1986-87 as against the Seventh Plan target of 14,500 million metres. From the present trend in production of cloth, it is expected that the overall target of 14,500 million metres will be achieved by the terminal year (1989-90) of the Seventh Plan period.

[Translation]

**SHRI BANWARI LAL PUROHIT:** Mr. Deputy Speaker, Sir, the New Textile Policy came into force one and a half year or two years back. We had expected that it would bring about a revolution. But almost the opposite has happened. The condition of the handloom industry is miserable. The people are very unhappy in this sector. They are not able to earn even their daily bread. Same is the position in regard to powerloom sector also. The state of affairs in the cotton mills is even worse. Has the hon. Minister noticed the effects of the textile policy? He has stated that according to the reports, the production will increase but I think that adequate protection has not been granted to the hand-loom sector. The state of the powerloom sector is also worse and it is going on

worsening day by day. The cotton mills are becoming sick. The new mills manufacturing polyester fibres have taken its full advantage and are minting money. I want to request the hon. Minister that the handloom and powerloom sectors should be protected. The deteriorating situation in the cotton mills is adversely affecting our economy. Export of fibres is also affecting the economy of the country. In view of the above, I want to know from the hon. Minister as to what concrete steps are taken by the Government to protect the handloom, powerloom and mill sectors?

[*English*]

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI KRISHNA KUMAR): Sir, the statement of the hon. member is not true to facts. After the promulgation of the new Textile Policy in June 1985, the total cloth production has increased from 12.498 million metres to 12,777 million metres in the very first year of the operation of the Policy. The yarn production has also increased. The per capita availability of cloth has increased from 14.84 metres to 15.01 metres. The fundamental objective of the Textile Policy, viz. increase in the production of cloth and increase in the availability of cloth to the growing population, has been achieved. The Textile Policy also mentions that the cloth we produce should be distributed at reasonable prices. Sir, I am quoting the wholesale price index rise in two years (i) specific to cloth and (ii) specific to all other commodities. The wholesale price index which was 286.6 at the time of the announcement of the Policy for Textiles, stands now at 286.4 actually showing a marginal decrease. Therefore, the price of cloth has been stabilised. Whereas for all the other commodities, it has risen by 7 per cent, from 354.7 to 379.7.

After the announcement of the Policy, our performance on the export front in textiles, has been an outstanding success story. In the first year of the implementation of the Policy, the export of textiles has risen by 28 per cent.

Even though in the mill sector, employment has gone down by 50,000 due to closure of about 30 mills since the time of the announcement of the policy, the overall employment in the textiles sector as a whole has increased by 1.29 million or by 7.5 per cent. Therefore, based on the basic parameters or the major objectives of the policy, the Policy has been working successfully.

The hon. member has mentioned about the relative claims and counter-claims among the three different sectors of the textile economy. The objective of the Policy is harmonious growth of all the three sectors. We can only achieve a dynamic equilibrium. We do not want an equilibrium of stagnation. We have initiated a series of measures for protecting the handloom sector. The handloom production has gone up. Production in powerloom sectors has gone up by leaps and bounds, by 75 per cent in the last three years.

PROF. N.G. RANGA: What about unsold stocks?

SHRI S. KRISHNA KUMAR: Only in the mill sector, the production has shown a marginal decrease. This is not necessarily alarming because the Textile Policy allows terminally ill mills to close. That is part of the Policy. To help the labour, who are affected by such closures, we have instituted Textile Workers' Rehabilitation Fund.

As regards the cotton situation, the hon. members are aware about the shortfall in the cotton crop. There is a little shortage and we are contemplating import of viscose staple fibre to tide over the difficulty.

[*Translation*]

SHRI BANWARI LAL PUROHIT: Mr. Deputy Speaker, Sir, I have referred to the miserable plight of thousand of workers in the handloom units, particularly in Nagpur. The New Textile Policy has been formulated. A large sum of money is spent on increasing the production of textiles and to modernise the looms but the situation is that subsidy is not granted to them and as a

result they are not able to manufacture more than 5 metres of cloth while they have the capacity to manufacture 10 metres. This is because yarn is not made available to them. Our societies have failed and their federations are suffering losses. Lakhs of workers have been rendered unemployed. What measures are being initiated for them? The hon. Minister has also been approached in this connection. Your deputation goes there but nothing happens. No subsidy is being given. On the one hand, funds are given for increasing the capacity of handlooms and for modernising them but on the other, no subsidy is granted in the case of yarn and we cannot produce more than 5 metres of cloth. This is the factual position which I wanted to bring to your notice. I have submitted memos several times in this regard but unfortunately you do not read them. The situation is critical. What action will you take in this connection? Are you aware of all these facts, and if so, the action proposed to be taken in this regard?

[English]

SHRI S. KRISHNA KUMAR: Sir, as I said earlier, the total production as well as the employment in handlooms has marginally increased after the introduction of the policy. We have a host of schemes for increasing handloom production as well as for the welfare of the handloom workers. We have the Thrift Fund scheme. We spend annually about Rs. 100 crores on rebates. We have gone through a year of modernisation of the handlooms. We have also the *Bunkar Sewak* Scheme to improve the technical capability of the handloom workers. We have introduced reservation order for handlooms by which twentytwo items have been reserved by the mills.....

SHRI BANWARI LAL PUROHIT: What about its implementation?

SHRI S. KRISHNA KUMAR: .... Implementation machinery is being progressively established. There are some competing demands between these segments of the economy. There are hundreds of representations received by us and we take prompt

action on all of them, on merits.

SHRI S. JAIPAL REDDY: Mr. Deputy Speaker, Sir, you will kindly recollect when the New Textile Policy was announced, it was mentioned here that it was based on a Report of the Experts Committee, but it was strangely classified as secret. I would like to know from the hon. Minister whether this so-called Experts Committee Report which has been kept as super secret so far will at least be released now?

Secondly, we have been questioning the manner in which the figures of handloom industry have been calculated because the method and manner in which these figures have been worked out have been found to be faulty. They have been questioned by many experts. Will the Government look into this aspect, instead of misleading the House with faulty figures?

SHRI S. KRISHNA KUMAR: Sir, the Report of the Experts Committee is not secret. It is available on Government records.

SHRI S. JAIPAL REDDY: We want to see for ourselves.

SHRI S. KRISHNA KUMAR: There will not be any problem.

Secondly, there is a need for more sophistication in the estimation of the use of hank yarn -on the off-take of which the production of handlooms is calculated. On the one hand some hank yarn is used by the powerloom sector and on the other hand, certain types of yarn, including the sized beam yarn and all that are used now by the handloom sector also. There is a little cross flow of the different types of yarn between the two sectors. Sir, a Committee, headed by the Textiles Commissioner is looking into how the estimation of production of these two sectors, which is calculated on the basis of the off-take of different types of yarn can be made more scientific and sophisticated.

SHRI S. JAIPAL REDDY: Sir, he has not given me the full reply.

**SHRI MUKUL WASNIK:** Mr. Deputy Speaker, Sir, during the Sixth Plan period, 11 spinning mills were approved in the State of Maharashtra, but today these spinning mills are incomplete because there has been a stoppage of financial assistance from the IDBI and the Industrial Finance Corporation of India. At the same time it has been reported, recently, that the Government of India on its own, without the recommendation of the Government of Maharashtra has approved and has given three spinning mills, which will be purely export oriented. May I know from the hon. Minister as to where these export-oriented mills will be situated in the State of Maharashtra? At the same time, I would like to know from the hon. Minister as to what steps Government of India will take to ensure early completion of eleven spinning mills in the State of Maharashtra which are incomplete today because of lack of funds.

**SHRI S. KRISHNA KUMAR:** The sanctioning of new capacity for spinning mills as well as enhancement of existing capacity is allowed in the New Textile Policy, subject to the locational guidelines and other restrictions of the Industrial Policy. This does not apply, of course, to purely export-oriented units.

I required notice to say exactly where these three export-oriented units are to be located.

**SHRI MUKUL WASNIK:** What about the eleven spinning mills?

[*Translation*]

**SHRIMATI USHA CHOUDHARI (Amravati) :** Mr. Deputy Speaker, Sir, the hon. Minister while replying to the first question had referred to the cloth and its price in the country. I think that a policy has a bearing on the man and not on the thing. Now that the textile policy has been formulated, it should be stated as to how much cloth will be manufactured and what will be its price? The cotton growers are discontented due to lower returns and the increasing use of artificial fibres. If the farmer stops growing

cotton what will he grow in its place?

[*English*]

**SHRI S. KRISHNA KUMAR:** As the hon. Member is aware, we have had two bumper crops in the previous years. This cotton crop is short; and you would not disagree with me when I say that the price now obtained by the cotton farmers, especially this season, is quite good.

**AN HON. MEMBER:** No; this is not correct.

**SHRI S. KRISHNA KUMAR:** The Cotton Corporation of India implements price support operations in order to ensure that the cotton farmer gets a minimum price which is fixed year to year. In fact, the complaint of the industry is that the cotton prices are too high.

[*Translation*]

**SHRI SATYANARAYAN PANWAR (Ujjain) :** The price of yarn has increased substantially and it is directly affecting handloom and powerloom production. The bundle of cotton yarn which was available till recently at Rs. 100 now costs Rs. 160. As a result the handloom and powerloom units are facing closure. What action are you going to take to control this price rise and to ensure proper employment for weavers of handloom and powerloom units?

[*English*]

**SHRI S. KRISHNA KUMAR:** It is true that the price of yarn have increased in the last one year; but that increase is only about one-third of the increase in the price of cotton; and 50% of the price of yarn is the price of the cotton which goes into it. The price of cotton has increased by 52% in the last two years, whereas the price of yarn has increased only by 17%. Even though there is this increase, the hon. Member would recall the dip in the price of both the cotton as well as yarn after 1985. After that it dipped it as come up again. Now, the yarn prices and the cotton prices have just exceeded the price level which was existing in 1985, though it

would look like a big increase when compared to last year.

As regards the control over the price of yarn, you are aware that the handlooms have to operate through their apex cooperative societies. The National Handloom development Corporation has implemented a yarn guarantee scheme, though this is not being universally implemented in all the States of the country.

[*Translation*]

**SHRI GIRIDHARI LAL VYAS:** Mr. Speaker, Sir, I want to submit to the hon. Minister that he has been correct in saying that the price of cotton has increased enormously, but this increase has been affected after the cotton has already been sold to the middlemen. In this situation yarn is not available at the minimum price and its price has greatly increased in comparison to that of cotton. The hon. Minister has been requested several times to give sanction to the mills for generating new spinning capacities so that yarn can be available at cheap rates. Will the hon. Minister assure us that the textile mills in Rajasthan and other states which have applied for in this connection will get sanction so that yarn can be available at cheap rates?

[*English*]

**SHRI S. KRISHNA KUMAR:** The total spinning capacity in the organised mill sector which was targetted at 23 million spindles by the end of the 7th Plan has already been exceeded by 3 million, it stands now at 26 millions. Even though, by and large, the textile policy allows expansion of capacity of each unit to its optimum economical level. There is also a condition that it is circumscribed by the industrial policy guidelines. Therefore, we are granting new capacity for spinning only in category A districts which are no industry districts or category B districts where in any State category A districts are not there. We are not in favour of increasing the spinning capacity in an unbidited manner because that will make the

whole industry sick. The Industrial Development Bank, which is the main financing agency is refusing to finance any spinning capacity which is sanctioned in excess of the 7th Plan limit.

### Measures to Enforce Export Obligations

\*167. **SHRI S.M. GURADDI†:**  
**SHRI H.N. NANJE GOWDA:**

Will the Minister of COMMERCE be pleased to state:

(a) the total number of exporters who have so far defaulted to fulfil their export obligations;

(b) the action taken against such exporters;

(c) to what extent the action taken by Government has helped in reducing the default on the exporters' obligations;

(d) whether the existing legal provisions are adequate to ensure compliance of export obligations and if not, whether any amendments are contemplated?

THE MINISTER OF STATE IN MINISTRY OF COMMERCE (SHRI P.R. DAS MUNSI) : (a) to (d). A statement is given below.

### STATEMENT

(a) and (b). 235 firms have been declared defaulters as in May, 1987 on account of failure to fulfil the export obligation within the prescribed time in respect of Advance licences issued in the years 1982-83, 1983-84, 1984-85 and 1985-86. Declaration of a firm as defaulter disentitles the party from obtaining any type of licences or export assistance from the CCI&E Organisation.

(c) As a result of plugging of loopholes in the policy and providing adequate safeguards, there is a decline in the cases of default. To further streamline the action to be taken against defaulters detailed guidelines