

LOK SABHA DEBATES

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LOK SABHA

Friday, July 1, 1977/Asadha 10, 1894
(Saka)

The Lok Sabha met at Eleven of the Clock

[MR. SPEAKER in the Chair]

ORAL ANSWERS TO QUESTIONS

Voluntary Ceiling on Prices of Raw Cotton

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286. SHRI PRASANNBHAI MEHTA:

SHRI KALYAN JAIN:

Will the Minister of COMMERCE AND CIVIL SUPPLIES AND CO-OPERATION be pleased to state:

(a) whether the East Indian Cotton Association has decided to impose with immediate effect a voluntary ceiling on prices of raw cotton in the current season;

(b) if so, to what extent the decision will reduce the cotton prices in the country; and

(c) the other measures being considered by the Central Government to get the cotton prices reduced so that the poor people can buy cheaper cloth?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND COOPERATION (SHRI MOHAN DHARIA):

(a) to (c). A statement is laid on the table of the House.

Statement

(a) to (c). Yes, Sir. In response to the general appeal, the East India

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Cotton Association has decided to impose a voluntary ceiling on prices of raw cotton in the current season with effect from 4th June, 1977.

The prices of cotton have already fallen by Rs. 50 to Rs. 100 per candy.

A number of measures have been taken by the Government to contain cotton prices, which include:—

1. The import of cotton from abroad;
2. Cotton textile mills have been permitted to import man made fibres on O.G.L basis up to 31st October, 1977;
3. It has been made mandatory on cotton textile industry to use at least 10 per cent non-cotton fibres of their total consumption from 1st January, 1977,
4. Stock restrictions have been placed on mills and traders in order that available cotton could be available equitably to all mills.

As a mid-term measure, the recommendations of the Special Committee constituted to maximise the production of cotton during the forthcoming kharif and rabi seasons is being implemented through the State Governments.

5. As a long-term measure, efforts are being made by Government to increase the production of cotton within the country.

SHRI PRASANNBHAI MEHTA: I would like to know from the hon. Minister what factors were responsible which made the cotton price rise so high and ultimately it resulted in the increase of price of even the controlled cloth and what action Government desires to contemplate to give the cloth at a cheaper rate?

SHRI MOHAN DHARIA: Sir, as I have said earlier, the production of cotton which is usually of the order of 70 to 71 lakh bales in the country, unfortunately came down to nearly 58 lakhs of bales last year. Besides, the prices of cotton in the international markets were comparatively high. Whatever cotton we have imported, it is being given at a subsidised rate in order to make this cloth available at reasonable prices. So the prices going up in the international markets and the shortage of production in the country were responsible for the increase in price and to meet this, we have taken up a plan of importing nearly 14 lakhs of bales of cotton much of which has already come into the country and also some other man-made fibres. We have made these mills use 10 per cent of man made fibres along with the cotton yarns. These are the several steps taken.

SHRI PRASANNBHAI MEHTA: It so happened during the last two years or so that in the beginning of the season, at the time of the arrivals of cotton in the market, the price of the cotton varieties had remained low and at that time the Cotton Corporation did not come into the field and purchase the cotton according to the needs of the grower. But thereafter the prices went high and ultimately it resulted in the increase of the cloth prices. So may I know from the hon. Minister what measures Government desire to contemplate or are being contemplated so that such a situation does not arise in the next season and the growers and the consumers may not suffer?

SHRI MOHAN DHARIA: Sir, it is not only in the case of cotton, but in regard to all agricultural products it is the same state of affairs. I do appreciate the concern of the hon. Member. We have already instructed the Cotton Corporation of India to go into the market on whatever support price has been declared by the Government. If the prices are falling below the support prices, they should

make purchases to maintain that level. This is beside the consultation with the State Governments. If we can also encourage our cooperatives or the producers to have more produce of the cotton, it will also go a long way and I would certainly try my level best in that direction.

श्री कल्याण जैन : अध्यक्ष महोदय, मंत्री जी ने अपने वक्तव्य में रुई के मूल्यों, के नियंत्रण के लिए जो उपाय बताए हैं, उन में एक उपाय यह बताया है कि रुई का आयात करेंगे। मंत्री जी को यह मालूम है कि रुई का निर्यात बंगला देश को किया जा रहा है। तो मैं मंत्री जी से यह जानना चाहता हूँ कि एक ओर तो आयात की बात की जाती है और दूसरी ओर बंगला देश को निर्यात किया जा रहा है? दूसरे मैं यह जानना चाहता हूँ कि क्या मंत्री जी बैंकों की ब्याज दरों को घटाने पर भी विचार करेंगे जो बहुत ज्यादा है? अगर बैंकों की ब्याज दर घटा दी जाती है तो इससे कपड़ा मिलों को रा मेटेरियल खरीदने में क्या आसानी नहीं हो जाएगी?

श्री मोहन धारिया : अध्यक्ष महोदय, मैंने इस बात को कहा है कि कपास का हम आयात कर रहे हैं। मैं यह मानने वाला हूँ कि जो चीज हमारे मुल्क में पैदा हो रही है उसका हमें आयात नहीं करना चाहिए। चूँकि कपास का उत्पादन कम हो गया है इसलिए इसके सिवाय हमारे पास दूसरा कोई रास्ता नहीं है। बंगलादेश के बारे में जो सवाल पूछा है, इसका सम्बन्ध इस प्रश्न से नहीं है। मैं बंगलादेश को कोई निर्यात होता है या नहीं इसको देखूंगा।

श्री कल्याण जैन : अध्यक्ष महोदय मूल्यों को कम करने के लिए या नियंत्रित करने के लिए एक तरफ तो रुई के आयात का उपाय बताया है और दूसरी ओर निर्यात किया जाता है। क्या यह कंट्रास्ट नहीं है?

श्री मोहन धारिया : इसमें कंट्रास्ट नहीं है। हमारे भ्रगल बजल में पड़ती मुल्क है। अगर उनकी चक्रत है तो हम ज्यादा ध्यात करेंगे और उनको देंगे। उनको भी देना हमारी इट्टी है।

श्री कल्याण जैन : मैने बैंक की ब्याज दर के बारे में भी प्रश्न किया था, उसका उत्तर नहीं आया है।

श्री मोहन धारिया : यह ठीक है कि बैंक की ब्याज दर ज्यादा नहीं होनी चाहिए। लेकिन यह सवाल फाइनेंस मिनिस्टर साहब के अधीन आता है। मैं उनको कह दूंगा कि वे इस पर ध्यान दें।

SHRI S. R. DAMANI: On account of the measures taken by this and the previous governments, the situation regarding the supply of cotton has come under control; otherwise, it would have been worse. You have said that you are going to make effort to increase the production of cotton. What action do you propose to obtain increased production of cotton.—long term and short term? Side by side with this, are you thinking of creating a buffer stock of cotton through purchase from our neighbouring countries, when the prices are suitable?

SHRI MOHAN DHARIA: Regarding increase in the production of cotton, there are several measures that can be taken. One is this: use of cotton seeds of high-yielding variety and the other bringing more areas of cotton under cultivation. They can make fertilizers and other inputs available to the farmer at the appropriate time. These are the various measures being taken by the Ministry of Agriculture. About the imports to be made at the time when prices are at a low level, it is a good suggestion for action.

श्री किरंती प्रसाद : मैं जानना चाहता हूँ कि हमारा उत्पादन लक्ष्य 71 लाख गॉट का है लेकिन उत्पादन हुआ है 58 लाख

गॉट का, इसके क्या कारण हैं? उत्पादन के घटने के प्रमुख रूप से क्या कारण रहे हैं इसकी जानकारी मैं चाहता हूँ?

श्री मोहन धारिया : हमारे मुल्क में काटन का उत्पादन ज्यादा करके ऐसे एरियाज में होता है जहां परमानेंट इर्रीगेशन की सुविधा नहीं है। इसके कारण हमें मानसून पर निर्भर करना पड़ता है। यही इसका प्रमुख कारण है।

SHRI B. RACHAIAH: There was a short-fall in the output of cotton in the previous year by about 14 lakh bales. Already there is a fall in price by Rs. 50 to Rs. 100 per candy. And the farmers who take the trouble of growing cotton are put to loss. Will Government consider the cost of production, while fixing the price of cotton to the farmers?

SHRI MOHAN DHARIA: This is all done by the Agricultural Prices Commission. Naturally, it comes to the Government also before a final decision is taken. We shall certainly take into consideration to what extent we can help the producers so that they would not be the sufferers.

SHRI SONU SINGH PATIL: Is the hon. Minister aware that one of the recommendations of the Buffer Stock Operations in Cotton Committee is that when there are distress sales the Cotton Corporation should purchase up to 10 per cent of the cotton at the average price?

SHRI MOHAN DHARIA: I would require notice.

DR. SAROJINI MAHISHI: What are the proper incentives being given for growing cotton, specially long staple cotton, like varalakshmi? Between the period of opening the Letter of Credit and the actual import, if the

farmers in India are given more incentives, they can themselves grow more long staple cotton and avoid imports. What incentives are being given to the farmers to make use of the research facilities that are available in the country?

SHRI MOHAN DHARIA: This question comes under the Agriculture Ministry. We have to make the inputs available to the farmer like good high-yielding variety seeds, fertilizers, pesticides, credit facilities and a reasonable price for his produce. As I have indicated earlier, the Agriculture Ministry has taken in its hands all these programmes, and I am sure these will be implemented.

श्री हर्कम चव्वा कदवाय : इस समय देश में कपड़ा मिलों में कितनी रुई की आवश्यकता है और कितनी हम बाहर से मंगते हैं। आपने बताया है कि हम खेती का क्षेत्र बढ़ाने वाले हैं और पैदावार बढ़ाने के लिए हम बीज, खाद प्रायि देते हैं। पिछले तीन साल में कितनी भूमि में आपने कपास की खेती करवाई है और इसके प्रतिवर्ष आकड़े क्या हैं ?

श्री मोहन धारिया : जैसा मैंने बताया है पिछले साल 71-72 लाख बैलज लगी थी और 58 लाख बैलज यहाँ पैदा हुई। इसीलिए कपास की कमी पड़ी। अधिक कपास पैदा करने के लिए कौन से उपाय करेंगे यह मैंने बता दिया है। पिछले तीन साल के आकड़े जो आपने मंगे हैं इसके लिए नोटिस की आवश्यकता होगी। मैं यह सुझाव भी आपको दूँ कि यह नोटिस एग्रीकल्चर मिनिस्टर को जाएता तो अच्छा होगा।

SHRI P. RAJAGOPAL NAIDU: The hon. Minister has stated that they are supplying to the farmers pesticides, insecticides and other things. Are they being supplied at reduced rates?

SHRI MOHAN DHARIA: This effort is being made. As the hon. Members may be aware, Government has brought down recently the prices of fertilizers and insecticides. I know that even then they are beyond the capacity of the poor farmers.

श्री शिव नारायण : नई सरकार के आने के बाद काटन के दाम कम हो गए हैं। क्या कपड़े के दाम भी कम करवाने की आप कृपा करेंगे ?

श्री मोहन धारिया : कपड़ा लोगों को मिले इसीलिए स्टैंडर्ड क्लाय चाहते हैं कि उसका उत्पादन बढ़े और उसको हम कम दाम में दिलवाते हैं। इसी के बारे में मैंने पिछले सप्ताह बताया था कि जो तय किया है उसने दाम का कपड़ा पैदा करके उसका बटेबारा अच्छी तरह से कैंटे हो इस पर हमें ध्यान देना है।

SHRIMATI PARVATHI KRISHNAN: It is well known that the cotton market is one of the most speculative markets in the country and, as a result of this, the consumer and the grower had been the greatest sufferers. What measures are being taken in order to see that the market is regulated and adequate protection is given to the growers, so that they get a remunerative price and are not forced to sell at distress prices, because this is one of the reasons why the production is going down because the grower is not being given adequate protection from the speculative market?

SHRI MOHAN DHARIA: To protect the interests of the farmers, a support price is announced by the Government and to see that the support price is available to the farmers, we ask the Cotton Corporation to enter the market when there is a low trend in price. Secondly, it is the endeavour of the Government to encourage purchase co-operatives of the farmers, and, as the Minister of Co-operation, I request the hon. Members to take more interest

in building up goes, healthy co-operative purchasing societies of farmers. We would very much like to co-operate with the Members.

Misuse of Import Licences by Edible Oil Importers

*291. SHRI P. K. KODIYAN: Will the Minister of COMMERCE AND CIVIL SUPPLIES AND COOPERATION be pleased to state:

(a) whether the steps recently announced by Government to check the misuse of import licences by edible oil importers have yielded any desired results;

(b) if so, to what extent; and

(c) what further steps are proposed in this regard?

THE MINISTER OF COMMERCE AND CIVIL SUPPLIES AND CO-OPERATION (SHRI MOHAN DHARIA): (a) to (c). A large number of licences against which no imports or firm import commitments were made within three months to the date of issue have been invalidated, and now licences are being issued only on the basis of firm import commitments made by an applicant. There is no possibility of misuse of the licences now being issued. Further steps will be taken in the light of experience, and on the basis of the findings of the enquiries which have been ordered into cases of suspected misutilisation. In the meantime State Trading Corporation has been asked to gear up its mechanism to effect more imports of edible oil.

SHRI P. K. KODIYAN: The hon. Minister is under the impression that no further misuse will take place as a result of the measures that he has taken. The edible oil business is a big business domain. Not only the licencees, but the vanaspati manufacturers, the groundnut kulaks and so many

other big business people are involved in this, and they have devised various methods to hoodwink the Government. May I know whether the private sector will be entirely dispensed with in the import of edible oil and whether the import will be handed over to STC?

SHRI MOHAN DHARIA: I have already indicated in my reply that we are gearing up the STC for more imports. And, as I said at the time of the discussion of the Demands of my Ministry, nearly 90 per cent of the imports of edible oil is through the STC. It is true that we have allowed certain private persons to import oil, but then we have taken care to see that there is a firm commitment from the applicant's end. And that it should be imported within three months. If it has happened, naturally we have to take some other action. But here when the country is facing acute shortage, the problem is to bring the oil from whatever source it is possible. The only thing is that we should not allow those who import oil to take undue advantage of these scarcity conditions, and about this the Government is quite conscious.

SHRI P. K. KODIYAN: Even the oil imported by STC had gone to the vanaspati industry when the industry had sufficiently stock and the vanaspati manufacturers had misused this oil in the sense that they produced vanaspati but hoarded it and created artificial shortage and thereby made huge profits from this artificial shortage. Whether Government are taking any steps to see that transfer of oil from the STC will not take place in future.

SHRI MOHAN DHARIA: The production and the requirement of the country per year is of the order of 6 lakh tonnes. Now when there is a shortage of raw material and we do not provide that much raw material to the vanaspati manufacturers, the whole production will tumble down. Therefore, 75 per cent of the raw material is provided to the vanaspati industry by the STC or by the Government. In spite of the fact that there