

needy for fodder, fertilisers, seeds and irrigation facilities? If so, what is the result?

SHRI JANARDHANA POOJARY :
On 12th September, 1987 the hon. Finance Minister convened the meeting of the Chief Executives particularly to see how the drought affected people are helped, On 15th September, 1987 the Reserve Bank of India had issued guidelines and we are meeting the requirements of the needy particularly of the ones referred to by the hon. Minister. We have also directed the Chief Executives and the Chairmen to go to the drought affected people to see that their requirements are met fully.

Import of Cotton and Man-made Fibre

*2. †**SHRI V. SOBHANADREESWARA RAO:**

SHRI LALITESHWAR SHAHI:

Will the Minister of TEXTILES be pleased to state :

(a) whether Government have taken a decision to import 10 lakh bales of cotton and substantial quantity of man-made fibre during the current year;

(b) if so, the reasons therefor;

(c) the quantity of cotton and man-made fibre already imported proposed to be imported in near future and the financial implications thereof;

(d) whether some cotton growers' Associations have urged Government not to import cotton; and

(e) if so, the reaction of Government thereto ?

THE DEPUTY MINISTER IN THE MINISTRY OF TEXTILES (SHRI S. KRISHNA KUMAR) : (a) No, Sir.

(b) and (c) Do not arise.

(d) Yes, Sir.

(e) Government do not propose to import cotton at present.

SHRI V. SOBHANADREESWARA RAO : While it is happy to note that the

Government has positively responded to the representations of the Cotton Growers' Associations and Federations all over the country regarding agitated note of the request of the Cotton Mills Federation requesting the Government to allow import of 10 lakh bales of cotton and 1.2 lakh tonnes of man-made fibre yet now the Minister has told that the Government has not taken a decision so far.

We are very happy to know that. At the same time, I would like to know categorically from the Hon'ble Minister whether it is not a fact that a public notice was issued on 9th October 1987 wherein the Government had announced input-output norms for import of raw cotton against export of yarn. Against export of 1 kg of corded yarn of 40 counts and below, the exporter is permitted to import 1.5 kg of raw cotton. Similarly in respect of combed yarn of 43 counts and below import of 1.33 kg and for 1 kg of combed yarn of 40 counts and above, import of 1.39 kg raw cotton is allowed. Is this not in contradiction to part (a) of the answer given by the Government? Indirectly you are permitting the import of raw cotton into this country. The latest figures say that our cotton production this year will not be less than that of the previous year. In fact, it may be little higher.

So, I would like to know categorically from the Hon'ble Minister whether the Government would reconsider and withdraw this public notice issued some time back.

SHRI S. KRISHNA KUMAR : Sir, I have actually answered parts (a), (b) & (c) of the question. The question was:

"Whether Government have taken a decision to import 10 lakh bales of cotton and substantial quantity of man-made fibre during the current year;"

The answer is: "No, Sir." We have also said categorically that the Government do not propose to import cotton at present.

It is true that a facility had been given to cotton yarn exporters under the import-export policy of the Government for a replenishment licence for the cotton yarn exported by them. This is because the Govern-

ment is keen to establish a firm climate for export of cotton yarn which will indirectly benefit alleviation of the sickness of mills suffering from over capacity. We have only allowed limited quantities of yarn exports and the consequent enabling import of cotton which has not even started. This order was issued only in October but no import has actually taken place. The cotton, if any, imported under replenishment licence will be a very small fraction of the total production of cotton in the country. It will also have an indirect benefit to the local cotton prices and the yarn prices for handloom and powerloom weavers while helping the sick textile mills.

Sir, this is an experimental measure. We will be continuously watching the situation. If there is a reason to believe that this assistance to exporters in any way militates against a stable cotton price situation, Government will take corrective action at that time.

SHRI V. SOBHANADREESWARA RAO : Mr. Speaker, Sir, you are well aware of the untold suffering faced by the cotton growers last year and before that due to intensity of white flood. Now the Minister says that the imports may be of very small amount. But you are opening a door which will hither to be difficult to close. After the imported quantities come in, the interests of the cotton growers will be jeopardised. Therefore, I would request the Hon'ble Minister to reconsider and withdraw this notice.

Sir, the estimated production this year will surpass that of the previous year. We had exported 1.4 million bales of cotton in the previous year. I would like to know from the Hon'ble Minister whether the Government proposed to export some quantity of cotton abroad to earn foreign exchange and to create a favourable price situation in the country, so help the cotton growers.

The present average yield is only 235 kgs lint per hectare. What steps do the Government propose to take so that this yield per hectare increases and also announce new support prices which really would give an incentive to the cotton growers?

SHRI S. KRISHNA KUMAR : We have for the time being frozen export of

cotton, the remaining quota, earmarked for export this year because of the abnormal increase in the price of cotton and the resultant increase in the price of cotton yarn till about three months ago. However, the prices of cotton as well as the cotton yarn are now showing decreasing trend from August onwards. Our decision at the moment is that we will reconsider the question of export only after watching the current situation. The hon. Member is entirely correct that our earlier estimate of the volume of cotton crop has had an upward revision because of the August rains. We may probably get about ten lakh bales more than originally estimated. I would like to mention that even if this expectation is realised at the end of the cotton year 1987-88, we may be faced with a stock situation which may go below the safety level of three months requirement of the organized textile industry. In this matter, we are keeping our ears close to the ground and we would like to assure you that the interests of the cotton growers will be fully protected by the Government. The export window in cotton yarn is kept open because we want to increase the export of value added goods as against the primary raw material.

SHRI LALITESHWAR SHAHI : I would like to know the areas and the countries where yarn is proposed to be exported and the countries from where cotton is proposed to be imported. I am interested to know this because in our export programme earlier, we exported cotton yarn and imported raw material from the hard currency areas. I am, therefore, interested to know the countries where the export is supported to be made and the countries from where the import has to be made.

SHRI S. KRISHNA KUMAR : The cotton yarn is being exported to European Economic Community, Czechoslovakia and other countries. As stated earlier, we are not intending to import cotton at present and as such, I cannot answer the other part of the question.

SHRI INDRAJIT GUPTA : The necessity for export in order to earn foreign exchange is, of course, a valid argument, but I would like to know whether it is not

a fact that in the recent months, every part of the country is experiencing an acute scarcity on the one hand and high prices of cotton yarn on the other. As a result of this, lakhs of handloom weavers are unemployed and their handlooms are idle. He has spoken a lot about looking after the interests of the textile mill units and the cotton growers.

I have no objection to that, but the textile policy which was adopted last year was supposed to look after handloom weavers also, who belong to weaker section. Is it not a fact that today lakhs of handloom weavers are sitting unemployed; they cannot get yarn or yarn is available at such high prices that it is beyond their means? To what extent has this new policy of exporting cotton yarn from the country which is being brought as an incentive for importing cotton, led to this condition in the handloom market, and whether any steps will be taken to help the handloom weavers, who are suffering acute crisis at this moment?

SHRI S. KRISHNA KUMAR : The price of yarn required for handloom had shown an upward trend up to August this year, and thereafter the prices have been declining. I have got the figures as reported by the Handloom Commissioner. There is a list of very many counts, but on the average from August to the beginning of November there has been a five to ten per cent decrease.

So, the increasing trend of handloom price has been arrested. Sir, it is not true that the price increase in handloom yarn, which was experienced before August, was due to exports. We have been continuously monitoring the situation. The price of cotton had increased almost 50 per cent and the price of yarn, of which the cotton is the basic raw material, increased only about 50 per cent of the price increase of cotton. We had taken a series of steps to stabilise the handloom prices. I have got a whole list here. We have advised these instruments to the State governments and the Apex Societies. We have started a series of schemes through the National Handloom Development Corporation as well as the NTC. The interest of the handloom workers

is one of the primary concerns in the textile policy and we stick to that policy.

SHRI INDRAJIT GUPTA : Is it not a fact that handlooms are lying closed in hundreds of thousands and the weavers are unemployed?

SHRI S. KRISHNA KUMAR : Sir, certain percentages of the capacity of all segments of the textile economy, including handloom, power-loom and the organised textile mills, are closed from time to time because there is substantial over-capacity in the textile economy. The effect of the Textile Ministry is to balance the conflicting and competing demands of these different sectors of the textile economy and we have been trying to achieve a balance between the interest of these sectors.

SHRIMATI BASAVARAJESWARI : I would like to know from the Hon. Minister the total quantity of yarns, long staple as well as extra long yarns, exported during previous year from Andhra Pradesh and Karnatka. What is the present policy, of Government towards the export of long staple and extra long yarns during this year?

SHRI S. KRISHNA KUMAR : Sir, I do not have the figures, variety-wise, for Andhra Pradesh but as I said earlier, the export which was originally earmarked at 6 lakhs bales this year has been frozen at 4.9 lakh bales and the rest 1.15 lakh bales are not going to be exported.

Court Cases of the State Bank of Indore

*4. **SHRI RAJ KUMAR RAI :** Will the Minister of FINANCE be pleased to state:

(a) the number of court cases pending/lost by the State Bank of Indore during the years 1983, 1984 and 1985, year-wise and the amount involved;

(b) the reasons thereof;

(c) the details of the action taken by the bank against the erring officials, employees/lawyers; and

(d) the details of the steps proposed to be taken by the bank to avoid loss of the