

SHRI PRANAB MUKHERJEE: For obvious reasons, I cannot tell that. The State Government is investigating certain matters and this is a matter related to them. So far as we are concerned, those have been shown to us. And I have already replied in answer to a supplementary by the hon. Member that in order to have a deeper probe, we have asked the case to be transferred to the Central charge. Therefore my contention is that unless we examine all the papers, I cannot say whether they are false or genuine. For the additional information of the hon. Member, I can tell him that certain assessments, particularly from 1974-75, have not yet been completed; we have asked for them and those are pending.

Export of wagons

- 154. SHRIMATI LEELA DAMODARA MENON: f DR. V. B. SINGH: SHRI HIMMAT SINH:
SHRI HARSH DEO MALA. VIYA:
SHRI SARDAR AMJAD ALI:

Will the Minister of COMMERCE be pleased to state:

(a) what was the total number of wagons supplied by Indian Standards Wagons (ISW) to East African Railway by the end of the last year and what was the amount of foreign exchange earned; and

(b) what are the prospects of wagon orders during the current year?

THE DEPUTY MINISTER IN THE MINISTRY OF COMMERCE (SHRI VISHWANATH PRATAP SINGH): (a) 100 wagons for a total contracted value of Rs. 1.34 crores (CIF).

fThe question was actually asked on the floor of the House by Shri-mati Leela Damodara Menon.

(b) Orders for export of wagons to Iran, Yugoslavia, Bangladesh, Zambia and Tanzania are already on hand and efforts for securing further contracts are continuing.

SHRIMATI LEELA DAMODARA MENON: Sir, while congratulating the Government for reviving the wagon industry and expanding it to become a big foreign exchange earner, can we take it that it is now out of the red?

SHRI VISHWANATH PRATAP SINGH: This is rather a generalised question and I can only generally respond to it. While the utilisation capacity of wagon production units is 35 per cent much of the production capacity depends on the demands of their major buyer, the Railways. Export of wagons has picked up and that has also contributed to the utilisation of wagon production capacity in the country.

SHRIMATI LEELA DAMODARA MENON: Since we are expecting large orders from Sri Lanka, Poland Syria and even Yugoslavia, is the industry able to take up this expanded programme? We have already had the experience that in spite of orders, the wagon industry had not done well, especially before the amalgamation.

SHRI VISHWANATH PRATAP SINGH: Sir, the industry has picked up fairly well; the balance of orders that are yet to be delivered have been considerably reduced, and the industry has been able to meet the orders on hand. For instance, for Iran they had obtained orders for 492 wagons, for Yugoslavia 1300 wagons and for Bangladesh 500 wagons. I am quoting only a few instances against which deliveries have been made. Now, the balance for Iran is only 186 out of 492, for Yugoslavia only 55 out of 1300 and for Bangladesh only 3 out of 500, which are yet to be delivered.

SHRI HARSH DEO MALAVIYA: The World Bank financed the grandiose plan of the East African Railway connecting Uganda, Kenya and Tanzania and we were expecting more orders. But is it a fact that as a result of the raid on the Uganda Airport and the trouble between Uganda and Kenya the prospects of our export of wagons has been very much limited or has been very much disappointing? I will quote Mr. D. Roy, General Manager of the newly nationalised Indian Standard Wagons who has admitted to a correspondent that there are no further chances of wagon orders being placed by the members of the East African Railways. Following this news which appeared on the 9th July, there is another report that some agreement has been reached between Uganda and Kenya. So I would like the hon. Minister to enlighten us on this point as, to what are the present prospects of exporting our wagons to the East African Railway because it is a very big project and we can sell a lot of our wagons to them.

SHRI VISHWANATH FRATAP SINGH: Sir, political conditions in a country or in an area do affect commerce and trade. But apart from political conditions, we are faced with stiff competition from other countries which can give credit facilities, facilities which perhaps we cannot match by our own resources and strength. In spite of that, we have secured orders from African countries. For example, from Tanzania we have secured orders for 15 diesel engines recently, out of which six have been supplied.

SHRI SARDAR AMJAD ALI: In reply to part (b) of the question, the hon. Minister stated that there was possibility of getting more orders for wagons from other countries. Now we can export wagons only when they are manufactured here. And the manufactured things are exported through the Ministry of Commerce. I would like to know from the hon. Minister

whether there is any co-ordination between the manufacturing of wagons and the export of wagons. I ask this question because most of the wagon-manufacturing industries which are fortunately located in my State of West Bengal like the Indian Standard Wagon Company, the BBJ, Burn and Company and the TEXMACO, are not getting orders. In view of this, I would like to know whether the Ministry of Commerce proposes to take it up with the manufacturers of wagons and give enough orders to the industries located in that State.

SHRI VISHWANATH FRATAP SINGH: Yes, Sir, in this respect the Government has taken positive steps. So far as the export market is concerned, the export of wagons has been canalised through the PEC. To secure orders and also fair prices for the units producing wagons, Wagons, India has been established and it negotiates prices with the Indian Railways in advance and tries in a co-ordinated manner to secure orders for the units producing wagons. Apart from this, a high-level committee has been formed to look into the various problems of credit facilities, reimbursement of customs and excise and procurement of raw materials.

SHRI NABIN CHANDRA BURAGOHAIN: The wagon industry in West Bengal has been employing about 50,000 people in Calcutta alone and it has also been employing about two lakh people in its ancillary units. But the Railway Board or the Railway Ministry has not placed sufficient orders to utilise the available capacity there due to the revision of the Fifth Five Year Plan from a freight traffic of 300 million tonnes to 250 million tonnes. Therefore, in such a situation I would like to ask the hon. Minister whether his attention has been drawn to the crisis faced by the West Bengal wagon industry and whether he has been trying to agree to the suggestions or requests made by some of the countries to get our wagons on easy

terms so that it might relieve the acute crisis in West Bengal.

SHRI VISHWANATH PRATAP SINGH: Sir, it is true that as the Railways are the main consumer of wagons, any constraint or restriction on purchases by the Railways will have an effect on the production level of the production units. But this has to be seen in the overall context of the national economy, the constraints and the priority. One way to relieve such conditions is to boost up the export of wagons and in this respect there has been considerable rise as you will see from these figures. In 1972-73 the exports were of the order 3.40 crores whereas in 1975-76 they were of the order of Rs. 16.47 crores—about five times more. So far as offers from various countries are concerned, if their terms are suitable and are to the benefit of the country we never miss such opportunities.

श्री प्रकाश महरोत्रा : मंत्री महोदय ने यह कहा कि इस इंडस्ट्री की कैपेसिटी यूटिलाइजेशन 35 परसेंट है, इसमें करोड़ों रुपयों का इन्वेस्टमेंट है और लाखों आदमी काम करते हैं। ऐसी सुरत में क्या इसको डाइवर्सिफाई करने की परमिशन दी जाएगी।

SHRI VISHWANATH PRATAP SINGH: Any proposal that can bring help to the industry will be certainly considered favourably.

Crisis in the textile industry

*155. SHRI JAGDISH JOSHI
SHRI IBRAHIM KALANIYA:
SHRI KHURSHED ALAM
KHAN:

The question was actually asked on the floor of the House by Shri Jagdish Joshi.

SHRI KALP NATH RAI: Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that the textile industry is facing a financial crisis; and

(b) if so, what steps Government are taking to improve the situation?

THE MINISTER OF COMMERCE
(PROP. D. P. CHATTOPADHYAYA) (a)
and (b) A statement is attached.

Statement

Cotton Textile Industry is passing through comparatively- difficult times. In the current situation comparatively weaker mills have been more adversely affected. Government have taken a number of steps to relieve the situation in general and for the weak mills in particular. Some of the steps taken are:

Measures to contain prices of cotton by regulating the stocking of cotton, adjustment in credit availability and by arranging imports of cotton.

Financially weak mills have been made eligible for exemption from production of controlled cloth for a period of one year.

In order that heavy stocks of controlled cloth with the mills could be cleared, alternative distributive outlets other than cooperatives were allowed in respect of stocks which were not covered by despatch Instruction as on 30th April, '76 in those mills which had as on 31st May, '76 stocks of controlled cloth equal to their production obligation for two months. This was subject to safeguards that controlled cloth did not fall in to the hands of processors,