

RAJYA SABHA

*Monday, the 20th March, 1972/the 30th
Phalguna, 1893 (Saka)*

The House met at eleven of the clock,
MR. CHAIRMAN in the Chair.

ORAL ANSWERS SO QUESTIONS

ASSISTANT GOODS CLERKS POSTED AT TUTICORIN STATION

*121. SHRI LOKANATH MISRA :

SHRI M.K. MOTHA :†

SHRI DAHYABHAI V. PATEL :

SHRI K.C. PANDA :

Will the the Minister of RAILWAYS be
pleased to state :

(a) the number of Assistant Goods
Clerks at Tuticorin Station of Madurai Divi-
sion, Southern Railway, in 1967 and at
present ;

(b) whether some posts of Assistant
Goods Clerks have recently been withdrawn;
if so, the reasons therefore ;

(c) whether there was any decrease in the
traffic at the Station ; if so, the goods earn-
ings in 1967 and 1970 ; and

(d) whether Government propose to re-
store the original strength of staff at this
station in view of the increase in workload
at present ?

THE DEPUTY MINISTER IN THE
MINISTRY OF RAILWAYS (SHRI MOHD.
SHAFI QURESHI) : (a) Against 14 Goods
Clerks and one Tally Clerks in 1967, there
are 12 Goods Clerks and one Tally Clerk at
present ;

(b) Two posts of Goods Clerks were sur-
rendered in 1968 as a result of review of
strength of Commercial Clerks by a Com-
mittee of Officers.

(c) Yes. The loading has fallen from
42095 wagons in 1967 to 28706 wagons in
1970. The earning in 1967 were Rs. 84
lakhs and Rs. 98 lakhs in 1970.

(d) No. There has been no increase in
workload.

SHRI DAHYABHAI V. PATEL : In
view of the Minister's answer it seems that

the loading of wagons has been reduced to
half while the reduction in posts is two out
of fourteen. Could he not make a further
reduction ?

SHRI MOHD. QURESHI : As the load-
ing has to be done at different places like
the beach siding and station goods sheds,
we have to maintain the strength.

DECLINE IN TEXTILE EXPORTS

*122. SHRI K.C. PANDA

SHRI LOKANATH MISRA :

SHRI M.K. MOHTA† :

SHKIMATI PRATIBHA
SINGH :

Will the Minister of FOREIGN TRADE
be pleased to state :

(a) whether it is a fact that textile ex-
ports declined during 1971 as compared to
the exports in 1970 ; if so, to what extent ;

(b) the main reasons for the decline in
textile exports, the names of the countries
which reduced their imports and the extent
thereof ; and

(c) the steps taken by Government to
boost textile exports including those by ex-
ploring new markets ?

THE DEPUTY MINISTER IN THE
MINISTRY OF FOREIGN TRADE (SHRI
A. C. GEORGE) : (a) to (c) A statement
is laid on the Table of the House.

STATEMENT

Yes, Sir. The exports of cotton textiles
during 1971 are estimated to be Rs. 104.48
crores as compared with Rs. 116.49 crores
during 1970, thus registering an estimated
shortfall of Rs. 12.01 crores. Inadequate avail-
ability and high prices of indigenous cotton
during 1971, coupled with high cost of con-
version due to lack of modernisation in the
textile industry have adversely affected the
competitiveness of Indian cotton textiles in
the foreign markets. The most appreciable
decline has been in ;

† The question was actually asked as the
floor of the House by Shri M.K. Mohta

| Country | (lakh Rs.) | |
|----------------|-----------------|------|
| | 1970 | 1971 |
| | (Provisional) | |
| Burma | 1204 | 330 |
| USSR | 1790 | 1014 |
| Ceylon | 448 | 286 |
| Kenya | 122 | 87 |
| France | 133 | 68 |
| West Germany | 288 | 210 |
| Czechoslovakia | 242 | 96 |
| Yugoslavia | 298 | 63 |

The steps taken to increase exports include :

- Arranging import of adequate quantity of cotton.
- Allotment of foreign cotton to exporting mills against firm export orders.
- Cotton stock limits for exporting mills have been relaxed.
- Import of sophisticated textile machinery, not manufactured in the country, to exporting mills has been allowed.
- Scheme for grant of soft loans for the modernization of export oriented cotton textile mills has been evolved.
- With a view to capture new markets, a scheme for export of blended textiles has been streamlined by allowing import of man-made fibre as replenishment.
- Arrangements for conversion of foreign cotton into cotton textiles and manufacture for export.
- Scheme for manufacture of garments from imported fabrics preferred by Foreign buyers has been streamlined.

SHRI M. K. MOHTA : Referring to para (d) of the statement that has been laid on the Table of the House regarding the import of sophisticated textile machinery to

exporting mills, may I ask the honourable Minister if it has come to the notice of the Government that recently a change has been effected in the rules governing grant of import licences to exporting mills, namely, whereas previously mills were allowed to export machinery to the extent of 20 per cent of their exports, now unless a mill has exported 10 per cent of its production for the past three years, it is not made eligible for the import of such machinery? And this has brought down the number of such eligible mills from 200 to only 70 which means that the modernisation of export-oriented mills is going to suffer due to the change in the regulation. Then again, the Industrial Finance Corporation which is asked to give soft loans as mentioned in the statement has also put such onerous conditions on the exporting mills and those mills who want to export, that very few of them are coming forward to avail themselves of the soft loans mentioned by the Government. In view of this will the Government take into the account the realities of the situation and make rules and regulations in such a way that modernisation goes apace? That is my first question.

SHRI A.C. GEORGE : The honourable Member is true to the extent that such facilities are extended to mills which have got an export commitment of 10 per cent of their production during the past two financial years. And I must humbly submit that the entire concept of this type of additional facilities is designed in the interest rate as well as other conveniences; the basic concept is more export-oriented. So I humbly submit that the prevailing conditions are not as bad as he has made out. But if there are suggestions, we will be only too glad to entertain them. Regarding soft loans, the conditions stipulated also are, according to the Government, quite realistic and in keeping with modern trends. But if there are any suggestions on the specific question which may ultimately increase the export content of the production of the textile mills, we will be glad to welcome them.

SHRI M. K. MOHTA : In my first question I had mentioned that whereas government is insisting on only 10 per cent to be exported out of the production, the Industrial Finance Corporation is insisting that in the last three years 15 per cent must have been exported

to make the mills eligible for their assistance. This is putting the cart before the horse. Once they modernise they can export. But to say that 'unless you have exported, we cannot give you money' is unfair and that will not help modernisation of these mills.

Secondly, the Indian Cotton Mills Federation is raising funds for its export promotion fund to the extent of 15 or 20 crores from the industry. I think this burden falls inequitably and unjustly on various sectors of the industry. Have the government come to know about the difficulties of the weaker sections of the industry in meeting the requirements of the ICMF levies because under that scheme affluent mills are made to pay less and weaker sections made to pay more? If so, what does the government propose to do with this levy?

SHRI A. C. GEORGE : The entire scheme is conceived more to benefit the weaker sections of this industry. Regarding the question raised by the hon. Member that there is stipulation about the past performance, the position is that when government is subsidising to the tune of crores of rupees, they will have to consider whether these are all *bono fide* exporters or not. That is why the stipulation regarding 10 percent of the export in the past two years is laid down. Otherwise the modernisation scheme will be misused. About the ICMF scheme, as I pointed out earlier, they are mopping up the profits. The subsequent distribution is based on the concept that it is to be distributed to the weaker sections.

SHRI M. K. MOHTA : My question has not been fully answered. My question was whether the government has come to know about the complaints of the weaker sectors in the textile industry because under the ICMF scheme of levy affluent mills are made to pay less and weaker sections are made to pay more, whereas the government policy is just the opposite of it. Will the government do something about this?

SHRI A. C. GEORGE : Such incidents do happen when we are chalking out our policy with complete stress on exports. In the case of exporting mills possibly such discrepancies may happen. But since the basic policy is to boost up export, naturally

such discrepancies can happen and if there are specific complaints, we are prepared to go into them.

SHRIMATI PRATIBHA SINGH : I would like to know whether the USA have slackened their import demand of Indian textiles during the tension between India and Pakistan, and if so, to what extent export of cloth USA has declined. I would also like to know whether government is considering setting up an export-oriented garment factory in the public sector and at present what part is played by the public sector in the export of garments?

SHRI A. C. GEORGE : As in the case of every other commodity, during the recent crisis there was slight decrease in the export to USA. Regarding the point raised by the hon. Member about garments, we have a specific proposal for allowing export oriented industries under customs bond to import modern fabric which may not be available in India. This is allowed on the specific condition that hundred percent of the garments made out of it will be exported.

SHRI A. G. KULKARNI : May I know whether the government has asked U. K. government to grant waiver of the Indo-British agreement as was mentioned by the Minister of Foreign Trade in the last session? As far as (c) in the question is concerned, I want to know what are the new lines of export and whether a deal has been struck with Russia to import cotton and export cloth manufactured out of it? I also want to know whether the government have bungled by only agreeing to import 20,000 tonnes of cotton at a fixed price and not to sell cloth at all. In that case government has to find out Rs. 2 crores to subsidise export to Russia by penalising each spindle in this country to the extent of Rs. 1.50.

If so, Sir, why should the government penalise all the spinning mills by such measures when the bungling is done by the Foreign Trade Ministry?

SHRI A. C. GEORGE : Sir, regarding the first part of the question, it is true that we have come to some sort of an understanding with the U. K. government and with a 15% duty a quota is fixed for two hundred

million sq. yards. This may not be the very best, but this is the best that is possible under the prevailing circumstances, especially when we deal with a foreign government.

SHRI A. G. KULKARNI : But, Sir, he is not answering my question.

SHRI A. C. GEORGE : Sir, I am stating that . . .

SHRI A. G. KULKARNI : No, Sir. I asked . . .

(Interruptions).

MR. CHAIRMAN : Mr. Kulkarni, you should not interrupt like this. You first hear his reply. If the answer is not complete, then let me know.

SHRI A. G. KULKARNI : All right, Sir.

SHRI A. C. GEORGE : Sir, indeed it would have been preferable for us, for the government or for the people, if we do not have this restriction or this 15% duty. But, Sir, we are dealing with a foreign government and they have their own views and their own problems. So, we thought that this was the best agreement possible and we have 200 million sq. yds. So, that was the best that we could settle for.

Regarding the point raised by the hon. Member about the USSR, I do not agree with his viewpoint that the Foreign Trade Ministry has bungled. 20,000 tonnes of cotton will be supplied by the USSR and we will process it in our textile mills. A conversion charge is fixed. This conversion charge has been fixed after complete discussions with the industrialists and the trade and I maintain that the recent agreement is to the best interest of our country.

SHRI A. G. KULKARNI : Sir, I only want a reply to the second part of my question. I will again ask the Minister.

MR. CHAIRMAN : No second question, please.

SHRI A. G. KULKARNI : No second question, Sir. I want only an explanation. I asked him whether 20,000 tonnes of cotton has been contracted to be imported from Russia and after charging the conversion

charges, the cloth is to be exported to Russia and, also, Sir, whether only the cotton has been purchased, the price has been agreed upon, but for sending the cloth the export price has not been agreed upon, after adding the manufacturing charges, and in this transaction, a sum of Rs. 2 crores is supposed to have been lost and that the Foreign Trade ministry is contemplating to charge Rs. 1.50. per spindle. Is it a fact or is it not a fact? That is all what I want to know.

MR. CHAIRMAN : All right.

SHRI A. C. GEORGE : Sir, as I said in the beginning, this was done with the best of intentions to utilise the unutilised capacity of the textile mills. This 20,000 tonnes will be helping us to make the best use of the unutilised capacity of the textile mills and this will only be helping us and will never eat into the export items and, Sir, I maintain that we have not incurred any loss on this and this was finalised after discussions with the industrialists.

SHRI A. G. KULKARNI : Sir, what about the Rs. 1. 50 per spindle? He has not said anything about it.

MR. CHAIRMAN : No, Mr. Kulkarni.

SHRI A. G. KULKARNI : Sir, I asked him a specific question whether the Ministry is contemplating to charge Rs. 1. 50 per spindle. He can say, yes or no. I never asked anything else.

SHRI A. C. GEORGE : Sir, the entire arrangement was arrived at after discussions with the industrialists and the traders who are mostly concerned with all these things.

MR. CHAIRMAN : Yes, Mr. Sanyal.

SHRI SASANKASEKHAR SANYAL : Sir, is the hon. Minister aware of the fact that about a year or more ago the Murshidabad Textile Mill consignment, contracted by the USA, when it was on the high seas, cancelled and is still unloaded? Have any steps been taken for (1) compensation for the ensuing loss, (2) for reopening of markets in the USA on a reciprocal basis, and (3) for expanding world market for consumption of the Murshidabad and other Indian silk textiles?

SHRI A. C. GEORGE : Sir, I humbly *that I am not aware of this particular instance.* If it is brought to our notice, we will inquire into it.

SHRI SASANKASEKHAR SANYAL : Sir, it was admitted in the House in an answer to a question.

MR. CHAIRMAN : The hon. Minister says that he is not aware of it. Yes, Mr. Sri Rama Reddy.

SHRI N. SRI RAMA REDDY : Sir, the textile industry is one of the most important industries in India and, according to an answer made in the House, you will see that the main trouble is the lack of modernisation of the mills and, secondly, Sir . . .

MR. CHAIRMAN : Mr. Reddy, please put your question.

SHRI N. SRI RAMA REDDY : Yes, Sir, I am asking the question. These two *things seem to be the main trouble with textile industry.* What is going to be the policy of the Government with regard to the modernisation of mills generally, and what is the policy of the Government of India with regard to producing enough of cotton in this country? These are the two basic factors. I want to know the proposals of the Government. What are they doing . . .

MR. CHAIRMAN : You are repeating now.

SHRI A. C. GEORGE : With regard to modernisation, it was explained that the Industrial Finance Corporation will handle applications for loans for modernisation received from exprt-oriented mills whose performance is more than ten per cent during the last two years, and they will be given credit facilities at concessional rate of interest and it will be the Government of India who will be meeting the subsidy of one per cent of the difference between the normal rate of interest and the rate of interest given for the mills for modernisation.

Regarding production of cotton, it is ture that last year we had a very bad crop.

But in the current year we are having a very good bumper crop and it is hoped that we may be able to get over much of the difficulty about raw material, namely, cotton.

SALINE INUNDATION IN ORISSA

*123. **SHRI DAHYABHAD V. PATEL :** †
SHRI LOKANATH MISRA :
SHRI K. C. PANDA.
SHRI B. C. PATTANAYAK :

Will the Minister of IRRIGATION AND POWER be pleased to state.

(a) whether the Central Government have received any proposal from the Government of Orissa to prevent saline inundation in that State; and

(b) the total area which had been flooded by saline water and the action taken by the Central Government on the proposal of the State Government?

THE MINISTER OF IRRIGATION AND POWER (DR. K. L. RAO) : (a) and (b) A statement is laid on the Table of the House.

STATEMENT

(a) and (b) The State Government have not so far submitted a scheme to the Central Government for protection of coastal areas against tidal floods and saline inundation.

According to the report received from the State Government of Orissa, an area of 97,000 hectares in the coastal zone was affected by saline inundation due to the tidal wave during the cyclone of Octobers, 1971. The Central Government deputed a team of officers from the Ministries of Irrigation and Power and Agriculture at the end of November, 1971 to make a survey of the affected areas and to suggest measures to be taken by the State Government of Orissa for the desalination of the affected areas. Based on the suggestions of this Team, desalination of the areas coming under the command of Kendrapara Irrigation Canal system has been done by the State Government and Rabi crops have been raised.

† The question was actually asked on the floor of the House by Shri Dahyabhai V. Patel.

SHRI DAHYABHAI V. PATEL : Sir, I would like to know from the Minister whether there is any agreement between the