

RAJYA SABHA

Thursday, the 27th November, 1969/fo c/A
Atrahavai I, iHyi (>S'rtf/<i)

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

ORAL ANSWERS TO QUESTIONS

SUPPLY OF RAYON TO POWERLOOM WEAVERS

♦237. SHRI A. G. KULKARNI : Will the Minister of FOREIGN TRADE be pleased to state :

(a) whether the difficulty of Powerloom weavers using Rayon as regards supply at the prices of rayon from indigenous manufacturers has been satisfactorily solved ;

(b) whether the Government have taken any decision on the Tariff Commission's recommendation¹ as regards prices ; and

(c) whether any distribution system has been evolved in this matter ?

THE DEPUTY MINISTER IN THE MINISTRY OF FOREIGN TRADE (CHOWDHARY RAM SEWAK) :

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

5. A. I. MENON

The Tariff Commission was asked to inquire into the cost structure of the man-made fibre yarn industry. Since completion of this inquiry was taking time, the Commission made certain recommendations to Government on fair prices of rayon yarn. A price of Rs. 15.00 per kg. for the standard denier (120) of rayon yarn was suggested. The Textile Commissioner was requested to work out on the basis of price recommended by the Tariff Commission for the standard denier, prices for the other deniers of rayon yarn. He did so. An agreement was concluded on 18-8-1969 between the manufacturers of rayon yarn and the weavers for the sale of rayon yarn. The main features of the agreement are:—

(i) 10% of the production of rayon yarn will be reserved for allocation at concessional prices on the basis of exports of rayon textiles.

(ii) 45% of the production will be allotted to the actual users at prices agreed to by the spinners and weavers.

(iii) >45% of the production will be sold by the manufacturers in the open market at their own discretion. 1—47 R.S./69

SHRI A. G. KULKARNI : Sir, I want to know from the Government whether the so-called agreement by the Textile Commissioner has been initiated in the Ministry itself, because this agreement involves the rayon yarn weavers in Amritsar and Surat, but the Surat weavers were not a party to it. I would like to know whether it is a fact. Secondly, I want to know whether the prices fixed by the Textile Commissioner are more or less the same as the prices prevailing before the agreement was entered into, i.e., in 1960. I would also like to know whether it is not a fact that the discount given for denier yarn is Rs. 1.50 as against 50 paise allowed up to the time this agreement was fixed. I want to charge the Government that this agreement is in favour of the spinners and not in favour of the decentralised weavers and that is why 5,000 looms in Amritsar have closed down. I want to know from the Government whether all these are facts.

SHRI P. R. BHAGAT : Sir, the Textile Commissioner was asked by me to call a conference of the weavers and the spinners and work out a voluntary agreement if it was possible. Otherwise we will have to impose control and there may be difficulties in working out and enforcing it. And I am glad to say that although it is true that the Surat weavers who comprise about 20 to 25 per cent of the total capacity did not agree to this, all the others including Amritsar and other weavers agreed to it, and this scheme is in operation. The price fixed is in line with the recommendation of the Tariff Commission. As for the prices that were ruling before, as the hon. Member is aware, the price in April was Rs. 16.60, in May Rs. 16.25 and in June Rs. 15.98. But after the enforcement of the agreement, the price is Rs. 14.35.

SHRI A. G. KULKARNI : Sir, the Minister has himself agreed that there is very little difference between the prices. This cloth woven in Amritsar is a poor man's luxury. It is one rupee per metre. Even *khadi* is not available below Rs. 3 per metre. And an excise duty of 30 per cent is imposed by the Government on this cloth. That is why the weavers in the decentralised sector, particularly in Amritsar, have closed down and are facing starvation. I want to know whether the Government will assure us on two counts ; I am requesting them on very negligible matters. One is that co-operatisation of the spinning capacity should be an accepted policy of this Government which talks of progressiveness and socialism, because

last year, according to the survey of the Reserve Bank of India, the spinners in the rayon industry earned maximum profits. So, what basis is there for the Tariff Commission to fix the same price which was prevailing previously? So, co-operatisation of the spinning industry should be an accepted policy of this Government. Secondly, the weavers of Amritsar should be encouraged to export their products to Afghanistan with whatever incentives you can give to established exporters or established importers. Would you do that?

SHRI B. R. BHAGAT : Sir, exports to Afghanistan or other countries would naturally be encouraged. About the difficulties in their way, this matter was brought to my notice during my last visit to Amritsar and I am looking into this matter. As for co-operatisation of the spinning industry as the hon. Member has suggested, at the moment there is nothing coming in the way of co-operatisation. There cannot be forcible co-operatisation...

SHRI A. G. KULKARNI : But you are not encouraging it.

SHRI B. R. BHAGAT : That is because of the raw materials and other difficulties. That is why at the moment it is not encouraged. In any sector where there is difficulty in regard to raw materials and we have to import them, there is difficulty in creating new capacities. But certainly when we are in a position to create new capacities, co-operatives will be preferred to others.

श्री प्रेम मनोहर : क्या हमारे मंत्रालय को यह मालूम है कि अब से एक साल पहले रेयन मैन्युफैक्चरर्स के सेल्समन अपना रेयन बेचने के लिए सूरत, लुधियाना और अमृतसर जाया करते थे लेकिन अब पोजीशन बिल्कुल रिवर्स हो गई है क्योंकि रेयन की माँदेज हो गई है, आपिन मार्केट में रेयन के दाम अधिक बढ़ गए हैं? क्या मंत्री महोदय ने विचार किया है कि असंभवित यह है कि रेयन की माँदेज है और किस तरह उम माँदेज को दूर करें इस बात के बारे में विचार किया हो तो बनाने की कृपा करें? दूसरा प्रश्न यह है कि जो एक्सपोर्ट इन्सेन्टिव दिया था गवर्नमेंट ने वह बिघड़ा कर लिया है। वह बिघड़ा करने के कारण यह दिक्कत और बढ़ गई है। तो क्या गवर्नमेंट यह विचार

कर रही है कि बीवर्स को एक्सपोर्ट इन्सेन्टिव द्वारा दिए जाय जिससे उनकी दिक्कत दूर हो सके? रेयन भी मिलता नहीं, एक्सपोर्ट इन्सेन्टिव भी नहीं है। इन दोनों पाइन्ड्स के बारे में गवर्नमेंट को क्या कहना है?

श्री बी० आर० भगत : रेयन घागों की बात कर रहे हैं या रेयन कपड़ों की?

श्री प्रेम मनोहर : घागों की।

श्री बी० आर० भगत : जहाँ तक घागों का सवाल है, अभी ऐसी कोई दिक्कत नहीं आई है कि रेयन के घागे नहीं मिलते हैं। प्रोडक्शन बढ़ रहा है। 36 मिलियन किलोग्राम इसका प्रोडक्शन हुआ था और इसलिए यह सिकायत नहीं है कि घागा नहीं मिल रहा है। जहाँ तक एक्सपोर्ट इन्सेन्टिव की बात है, माननीय सदस्य को मालूम है कि डिबेल्युएशन के बाद एक्सपोर्ट इन्सेन्टिव की जरूरत नहीं समझी गई और जो दूसरी स्कीम एस० टी० सी० की माफ़त चालू है वह चल रही है। उसमें एक्सपोर्ट बढ़ने की भी गुंजाइश है।

SHRI KRISHAN KANT : May I know from the hon. Minister whether he is aware that exports to Afghanistan have been completely closed and Japan has entered the field - with an increase from 14 to 40 million Kgs. of yarn? If so, will the Government reconsider the question of export incentives? When it is available for rupee currency areas why should it not be available for exports to Afghanistan? Secondly, the hon. Minister has said that yarn is available and there is no difficulty. Perhaps the whole trouble in Amritsar started because of the monopoly control of the Birlas over the rayon fibre industry. They control the whole thing and it is available in black-market. Of course, it is available but they do not release it. So, in order to counteract the Birla monopoly will the Government consider creating new capacities and allowing new capacities in the cooperative and non-monopoly sector.

SHRI B. R. BHAGAT : Sir, as for exports to Afghanistan from Amritsar, as I said, this matter was brought to my notice when I went there. I am looking into this matter. There are some difficulties, but we are trying to

to see if something can be done about that. As far as the supply of yarn is concerned there are eight producers and some of them are Birla companies.

SHRI KRISHAN KANT : What is the percentage of their capacity? Is it 70 per cent?

SHRI B. R. BHAGAT : I think it is about 40 per cent. The Kesoram Rayons, the Century Rayons and the Indian Rayons together have 15 million kg. out of the licensed capacity of 40 million kg.

SHRI A. C. KULKARNI : What is the installed capacity?

SHRI B. R. BHAGAT : The installed capacity is 25 million kg. of which the Kesoram Rayons have 4, the Century Rayons have 2 and the Indian Rayons have 2. The total comes to 13 million kg. This is in the control of the Birlas. At the moment, as I said, the production is 36 million kg. of yarn and there is no difficulty of yarn supplies under this scheme.

SHRI S. D. MISRA : The honourable Minister has said that the production is about 36 million kg. of yarn. He has not mentioned as to what the needs are. We know the needs are greater. I would like to know what the needs of these weavers are.

The second point that I would like to know is that while we see from the Government report that there are about 2 lakh powerlooms and handlooms of yarn and synthetic yarn, etc., why, in spite of the needs being greater and there being a scarcity of 4 million kg. of this yarn every year, you are not giving more powerloom licences when there is a shortage. Why is it so?

SHRI B. P. BHAGAT : In this the honourable Member is referring to some other thing. That is the staple fibre and hand-spun yarn which the powerlooms are using in U. P. and other places. But this is a different yarn I am talking of. In this, as I said, there is no immediate difficulty about the supply of yarn. More or less the demand and supply is balanced. As for the other matter the main difficulty is about the prices. I have only yesterday called a meeting and I am calling the other suppliers of yarn for the powerlooms also and I will try to find out if an agreed price is evolved. If not, we will take some other steps in this matter, Sir.

श्री गुरुमुख सिंह मुसाफिर : मैं एक जहरी बात खास तौर पर अमृतसर के मूतल्लिक

जानना चाहता हूँ, कि जब मिनिस्टर साहब अमृतसर गये थे मैं भी उनके साथ था, उन्होंने बहुत सी बातें उन लोगों से सुनी हैं जो छोटे छोटे धंधे करने वाले हैं, तो उनकी जानकारी के लिये वहाँ बताया गया था कि 60 परसेंट लूम्स वहाँ बंद पड़े हैं। इसलिये मैं जानना चाहता हूँ कि धागे के मूतल्लिक कब तक और कितनी जल्दी गवर्मेंट डिस्मिशन ले लेगी ताकि जो काम बंद पड़े हैं वह जल्द शुरू हो जायें क्योंकि कोई डिस्मिशन धागे के मूतल्लिक नहीं हुआ इसलिये 60 परसेंट काम बंद पड़ा है।

श्री बी० आर० भगत : वह तो उन वाले पावर लूम्स की बात है। जहाँ तक उन का सवाल है, ज्यादातर बाहर से हम इम्पोर्ट करते हैं। उसमें फारेन एक्सचेंज लगता है, उसको जहाँ तक संभव हो रहा है बांटने की कोशिश कर रहे हैं और जब तक अपने वहाँ अच्छे किसम का ऊन पैदा नहीं होता हमें ज्यादा इम्पोर्ट करना पड़ेगा। अगर और ज्यादा इम्पोर्ट करें तो वह भी संभव नहीं दिखायी पड़ता फारेन एक्सचेंज की कमी की वजह से।

SHRI M. K. MOHTA : May I ask the honourable Minister whether it is not a fact that the high price of yarn is due to the very high incidence of excise duty as Mr. Kulkarni has pointed out in the beginning and whether the Government would consider giving excise relief with a stipulation that it will be passed on to the powerlooms and also that the powerlooms will export at least part of the cloth manufactured with the yarn on which no excise duty is levied?

SHRI B. R. BHAGAT : The excise duty is Rs. 4/- per lb. on this.

SHRI A. G. KULKARNI : What was it some three years ago?

SHRI M. K. MOHTA : He has not answered my question, Sir.

MR. CHAIRMAN : Has the Minister finished his answer?

SHRI B. R. BHAGAT : Sir, the honourable Member asked about the excise duty. I have said the excise duty is this. Now the honourable Member is asking, "Why?"

SHRI M. K. MOHTA : No. My question was whether the Government would consider giving excise duty relief with a stipulation that a part of the cloth manufactured would be exported so that we will be achieving two aims at the same time ..

(Interrupt)

SHRI B. R. BHAGAT : I am sorry, Sir, I could not hear the question.

SHRI M. K. MOHTA : What I wanted to know was whether the Government would consider giving excise duty relief so that the yarn on which no excise duty is levied will be used for manufacturing cloth and it will be exported.

SHRI B. R. BHAGAT : For the export of cloth they get the excise duty rebate. .. (Interruption). Some other honourable Member asked, "Why this excise duty". The whole budget policy is every year we review the position. There is a change, a variation, in the excise duty. Either it is increased or it is decreased in the twin considerations of the needs of revenue as well as the incentive; or disincentives to the particular type of industries. That we always annually consider.

SHRI T. N. SINGH : The honourable Minister has stated that the licensed capacity is 45 million kg. but we have a production of only 25 million kg. which means a shortfall of more than 20 per cent. May I know whether this shortfall is due to the lack of raw materials—the raw materials not being allowed to be imported, raw materials like pulp which is not imported in the requisite quantity—or whether it is due to some other reason? If it is for some other reason or if it is due to the shortage of imported pulp, what steps is the Government taking to make the maximum use of the capacity already created in the country so that the shortage will not be there? What steps would like to know specifically is the Government contemplating? This complaint of unutilised capacity is many years old. During these two or three years, I would like to know, what steps have been taken to make the maximum use of the capacity already created in the country? What has the Government done in this matter?

SHRI B. R. BHAGAT : Sir, the raw material import difficulty is there. Of the eight units which have a shortfall in the installed capacity against the licensed capacity, the Trivandrum Rayons is one which has a shortfall of 2 million

kg. And then we have the J. K. Rayons which has a shortfall of 1 million kg. and the Indian Rayons which has a shortfall of 2 million kg. The others are producing according to their licensed capacity. The shortage of the imported raw materials may be one of the reasons. The honourable Member is right. As for the efficient working; of the capacity, of course, the Indian Rayon was in difficulty some time before till it passed hands. There is still that difficulty now. There may be managerial and other difficulties in producing to the full capacity. But these things I am not in a position at the moment to give the whole details of the reasons for the shortfall.

ADOPTION OF MIXED ECONOMY

*as8. SHRI N. SRI RAMA REDDY : Will the PRIME MINISTER be pleased to state :

(a) whether her attention has been drawn to the address delivered by Shri R. Venkataraman, Member, Planning Commission at Shri V. S. Srinivasarao Sastry endowment Lecture on the 10th August, 1969 where mixed economy has been advised to be adopted by India; and

(b) if so, what is Government's reaction in the matter?

THE DEPUTY MINISTER (SHRIMATI NANDINI SATPATHY) : (a) and (b) In the Sastry Endowment Lectures delivered by Shri R. Venkataraman on the 10th and 11th September 1969, he dealt with the evolution of the concept of mixed economy in India and expressed his personal view that this was "perhaps best suited to the genius of our people". He also expressed his confidence "that with a pragmatic approach to industrial planning we shall not only sustain the progress achieved but march forward towards a better life."

So far as Government's policy in regard to industrial development is concerned, it stands embodied in the Industrial Policy Resolution as modified, from time to time, with reference to our social and economic objective; and the needs of our economy. While ours is, no doubt, a mixed economy, Government are firmly of the view that the commanding heights of the national economy must be held by the Public Sector.

SHRI N. SRI RAMA REDDY : Sir, I am glad that while agreeing to mixed economy, the Government would