

## RAJYA SABHA

Thursday, the 27th November, 1969/the 6th  
Agrahayana, 1891 (Saka)

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 Power-  
loom weavers using Rayon as regards  
supply at reasonable prices of rayon from  
indigenous manufacturers has been satis-  
factorily solved ;

(b) whether the Government have taken  
any decision on the Tariff Commission's  
recommendations 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.

#### STATEMENT

The Tariff Commission was asked to  
inquire into the cost structure of the  
man-made fibre yarn industry. Since  
completion of the inquiry was taking time,  
the Commission made certain recom-  
mendations to Government on fair prices  
of rayon yarn. A price of Rs. 10 per  
kg. for the standard denier (120) of rayon  
yarn was suggested. The Textile Com-  
missioner 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 23-3-1969 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

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 agree-  
ment 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 1966. 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  
20 paise allowed up to the time this agree-  
ment 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 Govern-  
ment whether all these are facts.

SHRI B. 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 diffi-  
culties 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 recommen-  
dation 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-operation of  
the spinning capacity should be an ac-  
cepted 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-operation 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-operation of the spinning industry as the hon. Member has suggested, at the moment there is nothing coming in the way of co-operation. There cannot be forcible co-operation...

**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 घूरत, लुधियाना और अमृतसर जाया करते थे लेकिन अब पोजीशन बिल्कुल रिवर्स हो गई है क्योंकि रेयन की माँटेंज हो गई है, ओपिन मार्केट में रेयन के दाम अधिक बढ़ गए हैं? क्या मंत्री महोदय ने विचार किया है कि अर्सलियत यह है कि रेयन की माँटेंज है और किस तरह उस माँटेंज को दूर करें इस बात के बारे में विचार किया हो तो बताने की कृपा करें? दूसरा प्रश्न यह है कि जो एक्सपोर्ट इन्सेन्टिव दिया था गवर्नमेंट ने वह बिधड़ा कर लिया है। वह बिधड़ा करने के कारण यह दिक्कत और बढ़ गई है। तो क्या गवर्नमेंट यह विचार

कर रही है कि वीवर्स को एक्सपोर्ट इन्सेन्टिव द्वारा दिए जायें जिससे उनकी दिक्कत दूर हो सके? रेयन भी मिलता नहीं, एक्सपोर्ट इन्सेन्टिव भी नहीं है। इन दोनों पाइन्ट्स 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 मार्फत 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 20 million Kgs. of yarn? If so, will the Government re-consider 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 section?

**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 basic 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 7 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. 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 2½ 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. R. 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.

श्री गुरुमुख सिंह मुसाफिर : मैं एक जरूरी बात खास तौर पर अमृतसर के मुताल्लिक

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

श्री बी० आर० भगत : वह तो उन वाले पावर लूम्स की बात है। जहाँ तक ऊन 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 जपान वहाँ अच्छे किस्म 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. 4-35 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 ..

(Interruptions)

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... (Interruptions). 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 incentives 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 36 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 step—I 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 as 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

\*238. 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 (SHRI-MATI 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 objectives 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 for a mixed economy, the Government would