

MR. CHAIRMAN: If you have any specific information, you may forward it to the Minister.

SHRI A. D. MANI: The Minister said just now that instructions have been issued that no pressure should be applied for collecting funds to the National Defence Fund. I should like to ask him whether instructions have been issued that no official should make a direct request for collections for the Defence Fund and that this matter should be left to voluntary organisations.

SHRI MORARJI R. DESAI: A request is not pressure.

ACCUMULATION OF STOCKS IN TEXTILE INDUSTRY IN GUJARAT

*481. { **SHRI DAHYABHAI**
V. PATEL†;
{ **SHRI M. S. OBEROI:**

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that the textile industry in the State of Gujarat is faced with a serious crisis because of accumulated stocks;

(b) if so, how many mills have been closed or are likely to be closed down as a result thereof and for what period; and

(c) what measures have been taken to relieve this distress?

THE MINISTER OF INTERNATIONAL TRADE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI MANUBHAI SHAH): (a) to (c) The textile industry in the country including Gujarat recently faced the problem of accumulation of stocks. No mill in Gujarat State is remaining closed or has given notice of closure due to

accumulation of stocks. In a very few mills, a few machines or third shift for some operations are reported to have been closed.

Steps have already been taken to liberalise credit facilities available to the cotton textile industry and trade. The Gujarat Government also provide bilateral security on advances made by banks to mills in the State. This has given the required relief to the industry.

SHRI DAHYABHAI V. PATEL: Is the hon. Minister satisfied that as a result of the measures that he has taken there will not be any closure and there will be no lay-off in the textile industry?

SHRI MANUBHAI SHAH: I am satisfied that the markets which at one time were depressed due to the emergency situation are now looking up all over the country and sales are continuously increasing.

SHRI K. SANTHANAM: May I know, Sir, whether the accumulation of stocks is due to the fact that textiles are selling at higher prices than the people can afford?

SHRI MANUBHAI SHAH: That is not so. The primary reason was that the off-take in the four eastern States of India had considerably gone down not only in respect of textiles but also in respect of most primary commodities. To add to that some of the fine varieties and superfine varieties made by the Ahmedabad mills were certainly facing consumer resistance. Now that they have reduced the prices, things are looking up.

SHRI ARJUN ARORA: May I know whether the Government has taken any action to bring about a reduction in the prices of all sorts of cloth produced in the country with a view to ensuring a greater turnover?

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

SHRI MANUBHAI SHAH: As far as the Government is concerned, it is done on the cost of production, according to the cost factors that go into it. But the mills are free and we have advised them continuously to sell even below the stamped prices which are only ceiling prices. Many mills have resorted to it and that is why the greater sales are there.

SHRI S. C. DEB: May I know, Sir, whether it has come to the notice of the Government that a complaint was made by cloth merchants against the mill-owners about the high prices that were quoted?

SHRI MANUBHAI SHAH: These complaints by merchants *vis-a-vis* wholesalers and wholesalers *versus* mills are a built-in system of the structure. Each one is a buyer who wants to purchase from the seller at a lower price. But there have been no serious complaints except in the case of some varieties of superior types of cloth, where the reduction has taken place and so the sales are moving forward.

SHRI DEOKINANDAN NARAYAN: May I know, Sir, if exports to foreign countries of these textiles have gone down recently?

SHRI MANUBHAI SHAH: No, Sir. They are looking up very much in the last three months.

SHRI DAHYABHAI V. PATEL: May I ask whether the Government insists on stamping of cloth and it is because of the stamping of prices and the merchants or the mills demanding the stamped prices that the prices do not fall, as they normally would?

SHRI MANUBHAI SHAH: No, Sir. That is not the point. The most popular varieties, which account for 65 to 70 per cent. of the production of cloth for the common man, would have pierced the ceiling if the stamping was not there. It is true of certain superior varieties and more expensive varieties.

SHRI DAHYABHAI V. PATEL: Sir . . .

SHRI BHUPESH GUPTA: Let Gujarat follow Bengal in this matter.

SHRI DAHYABHAI V. PATEL: I would never.

SHRI BHUPESH GUPTA: May I know, Sir, whether the attention of the Government has been drawn to the fact that as a result of closing down of the mills many people have been unemployed and more are going to be so if other mills are closed down or shifts are closed down?

SHRI MANUBHAI SHAH: I have clearly indicated that no mill as such in that region has closed down. A few machines are reported to have been closed.

SHRI A. B. VAJPAYEE: What about Amalner?

SHRI MANUBHAI SHAH: It is a different matter. It is due to bad management. Out of 522 mills the House does not expect that all the mills of the old type will continue to operate. They have got to be modernised. However, as I said, the recent crisis was as a result of less off-take from the eastern region.

SHRI A. D. MANI: Has it been brought to the notice of the Government that the appeal for austerity made by the Government repeatedly has been responsible partly for the accumulation of stocks?

SHRI MANUBHAI SHAH: We would repeat our appeal for austerity. We have to conserve our resources. But that has nothing to do with the less off-take of cloth for which I have already given the reasons.

SHRI DAHYABHAI V. PATEL: The hon. Minister said earlier that the mills or the dealers were free to sell at less than the stamped prices. Will the hon. Minister take steps to see that this is known to the public that the

mills or the dealers are free to sell at lower than the stamped prices?

SHRI MANUBHAI SHAH: We have sent out circulars. I myself have made public announcements over the radio. We have made this known and I have positive information that several mills have reduced their prices by 10, 12 or 15 per cent. below the stamped prices.

SHRI ARJUN ARORA: May I know, Sir, if the prices stamped on cloth are prices given by the mills themselves and not fixed by the Government and whether the Government is contemplating any steps to evolve prices based on Government's own compilations?

SHRI MANUBHAI SHAH: The prices are being based and ratified on Government's own policy.

SHRI N. SRI RAMA REDDY: May I know, Sir, when the mills are prepared to sell textiles at a price less than what is stamped, why the stamping itself should not be done at a lower rate?

SHRI MANUBHAI SHAH: Actually we have to do the stamping on a certain economic basis and data, and in the case of 60 to 65 per cent. or even 70 per cent. of the cloth of popular varieties, the stamping of prices has really kept them within the reach of the common man. Otherwise the tendency would be for the prices to go up. In the case of superior and superfine varieties of cloth, according to the cost factor their prices are stamped and complete freedom is given to the buyers and sellers to reduce the price to a lower level as they think best.

SHRI K. SANTHANAM: May I know, Sir, in that case why the stamping of fine varieties of cloth should not be given up, because it is of no use according to the Minister?

SHRI MANUBHAI SHAH: These are also not so definite. All dhoties and sarees which are for common

wear come under that class. Therefore, we cannot give it up.

MR. CHAIRMAN: Next question.

EXHIBITION HELD IN PARIS

*432. **SHRIMATI NANDINI SATPATHY:** Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the exhibition arranged at Paris in the Third week of November, 1962, by the Indian Ambassador was sponsored by the Government of India;

(b) if so, whether State Governments were approached for supply of exhibits; and

(c) what were the objects exhibited there?

THE MINISTER OF INTERNATIONAL TRADE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI MANUBHAI SHAH): (a) to (c) A statement is laid on the Table of the House.

STATEMENT

(a) No; it was also not "arranged" by the Ambassador but he knew of it and was invited to open it. It was not an "exhibition" but a sales show arranged by the Galeries Lafayette, a famous French Departmental Store, as a pre-Christmas sale campaign.

(b) Does not arise.

(c) Among the art and handicraft products from different countries displayed at the Departmental Store, goods from India were also put on sale and the concentration was on Indian goods. These were imported by the firm from India and were allotted a special enclosure. Besides earning publicity for Indian goods, the Departmental Store was able to sell a considerable number of items. The selection of goods was carefully and tastefully made by a representative of the firm who visited India, stayed in the country for 5 weeks and made a regional selection. The display was also regional.