

**PERMISSION TO MILLS FOR EXPANSION
OF LOOMAGE AFTER IMPOSITION OF
EXCISE DUTY ON CLOTH**

*277. **SHRI H. C. DASAPPA** (ON BEHALF OF **SHRI M. GOVINDA REDDY**): Will the Minister for COMMERCE AND CONSUMER INDUSTRIES be pleased to state:

(a) whether the textile mills in the country have been permitted by Government to expand their loomage since the recent imposition of excise duty on cloth; and

(b) if so, to what extent?

THE MINISTER FOR CONSUMER INDUSTRIES (SHRI N. KANUNGO):

(a) and (b). After the recent imposition of excise duty on cloth no textile mills have been permitted their loomage. It has, however, been decided to permit 18,000 automatic looms to be installed by mills for the production of cloth for export.

SHRI H. C. DASAPPA: May I know whether any new composite mills have been sanctioned?

SHRI N. KANUNGO: No.

SHRI H. C. DASAPPA: May I know with regard to this expansion of loomage, whether the case of the power-loom sector also will be considered?

SHRI N. KANUNGO: No.

SHRI H. C. DASAPPA: May I then know why preference is given only to the mills so far as extension of loomage is concerned.

SHRI N. KANUNGO: This extension of loomage is specifically for export purposes.

SHRI H. C. DASAPPA: If the power loom sector also undertakes to use this extra yardage for export, will the Government be pleased to consider their claim?

SHRI N. KANUNGO: Obviously the conditions are such that they cannot be acceptable to them.

SHRI H. N. KUNZRU: Has the discussion on the question of the production of more cloth during the debate on the Five Year Plan had any weight with the Government in deciding this matter?

SHRI N. KANUNGO: Yes, Sir.

SHRI H. N. KUNZRU: What is the weight that it has had?

SHRI N. KANUNGO: The 350 million yards of cloth for export is proposed to be produced by the extra automatic looms.

SHRI H. N. KUNZRU: The question was about the cloth available in the country.

SHRI N. KANUNGO: To that extent, cloth will be released for internal consumption.

SHRI H. N. KUNZRU: I could not hear the answer.

SHRI N. KANUNGO: To that extent cloth will be released for internal consumption.

SHRI H. N. KUNZRU: How much cloth was released?

SHRI N. KANUNGO: 'Will be released'. It is intended, when the extra loomage of 350 million yards will be provided for export, that amount will be available for internal consultation.

SHRI H. N. KUNZRU: Will that suffice for the needs of the people here?

SHRI N. KANUNGO: At the moment that will be enough but more will be required later.

SHRI H. N. KUNZRU: What are the Government's plans for producing the extra quantity that will be needed?

MR. CHAIRMAN: You had better answer, Mr. Morarji Desai.

SHRI MORARJI DESAI: More cloth is going to be produced in the hand-loom sector and it will be in all

about 1,000 million additional yards whereas in other sectors another 700 million yards will also be produced. These things have been considered and finalised.

SHRI H. C. DASAPPA: May I know whether certain power-loom people have not already approached the Government and said that the additional production, if they are granted loomage, will be earmarked for export?

SHRI N. KANUNGO: No.

SHRI H. C. DASAPPA: Have not Government already adopted a policy that out of the additional yardage that is required to be produced, 200 additional million yards are allotted for the power-loom sector?

SHRI N. KANUNGO: Yes, but the specific question is about the production for export on automatic looms and weaving sheds cannot operate automatic looms.

INDUCEMENTS TO TEXTILE MILLS TO WORK MORE THAN TWO SHIFTS

*278. **SHRI H. C. DASAPPA** (ON BEHALF OF **SHRI M. GOVINDA REDDY**): Will the Minister for COMMERCE AND CONSUMER INDUSTRIES be pleased to state :

(a) whether any inducements are offered to textile mills to work more than two shifts; and

(b) if so, what are these inducements?

THE MINISTER FOR CONSUMER INDUSTRIES (**SHRI N. KANUNGO**):

(a) Yes, Sir.

(b) From September 1956 a rebate of 6 pies per square yard in excise duty is being allowed monthly on that portion of production of cloth by each mill which is in excess of either the average monthly production for the period January—August 1956 or the assessed normal production based on two-shift working.

SHRI H. C. DASAPPA: In view of the fact that certain rebate is being given to the mills, may I know whether any similar concession is extended to the power-loom sector?

SHRI N. KANUNGO: No.

SHRI H. C. DASAPPA: May I know why again there is this differentiation?

SHRI N. KANUNGO: Because the rate of excise duty is different and is on a different basis for the power-loom factories and the mills.

SHRI H. C. DASAPPA: I take it that there is some inducement held out to the textile mills in case they have to switch over to the third shift. That is to encourage increased production. Is similar concession being offered to the power-loom sector to work a third shift in order to encourage additional production?

SHRI N. KANUNGO: The compounded rate of excise duty leviable on power-loom factories is such that it is enough inducement for higher production.

SHRI H. C. DASAPPA: Is it not a fact that the compounded fees that have already been fixed have been fixed without reference to additional production and to the working of a third shift?

SHRI N. KANUNGO: No, Sir. The compounded fees are designed in such a way that higher production will be an advantage.

SHRI N. R. MALKANI: Sir, how many mills have taken advantage of this concession?

SHRI N. KANUNGO: It is too early to say that because actually the concession was announced only in the middle of October and it will take a little time to find that out.

DR. SHRIMATI SEETA PARMANAND: Is it not a fact that a large number of power-looms have been rendered idle during the last year?