

Excess Capacity in Textile Industry

542. SHRI DAULATSINHJI JADEJA : Will the Minister of TEXTILES be pleased to state :

(a) whether the textile policy of 6 June, 1985 clearly hinted at the prevailing excess capacity in the textile industry;

(b) if so, the extent of the excess capacity in 1985, 1986 and 1987 in different sectors of textile industry; and

(c) the details of the outline of various steps taken/processed to be taken to remove this excess capacity ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) Textile Policy Statement of the 6th June, 1985 does not make any reference to excess capacity in the textile industry.

(b) No authentic estimates of excess capacity in the three sectors of the textile industry are available.

(c) The Textile Policy of June, 1985 allows textile units to contract capacities, including closure of a unit or part thereof, wherever necessary and justified.

Shifting of Textile Mills to Rural Areas

543. SHRI DAULATSINHJI JADEJA : SHRI NATWARSINH SOLANKI :

Will the Minister of TEXTILES be pleased to state :

(a) the policy adopted by Union Government regarding the shifting of textile units both closed and working from metropolitan areas to outside rural areas;

(b) the alternative plan to make use of the land occupied by closed units or textile units which work below their 50 per cent capacity; and

(c) the details of the policy contemplated in this regard ?

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRDHA) : (a) The Union Government have not laid down any specific policy for the shifting of textile units from metropolitan areas to rural areas.

(b) and (c). Planning alternative use of land occupied by textile units comes within

the jurisdiction of the State Governments/ Union Territories Administrations concerned.

Revision in Tax Concession and Incentives

544. SHRI C. MADHAV REDDI : Will the Minister of FINANCE be pleased to state :

(a) whether Government are considering to revise the tax concessions and incentives due to strong reservations expressed by the Economic Administration Reforms Commission about the usefulness of these incentives; and

(b) whether it is a fact that as a result of the concessions and incentives the tax base has been eroded considerably ?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI A.K. PANJA) : (a) and (b). The recommendations of the Economic Administrative Reforms Commission were examined by the Government and those found acceptable have been implemented by carrying out legislative amendments of the direct tax laws. Further the review of the various provisions of the direct tax laws relating to exemptions and deductions is being undertaken continuously in the light of the overall economic policy of the Government from time to time. Fiscal instruments have to subservise the needs of the macro economic policies of the Government. Hence losses and gains have to be measured against their entirety of economic performance.

Demand for Handloom Cloth

545. SHRI AMARSINH RATHAWA : Will the Minister of TEXTILES be pleased to state :

(a) whether the demand of handloom cloth in the country and also in foreign countries is on the increase;

(b) if so, the total production of handloom cloth in the country during the last three years, year-wise;

(c) the value of handloom cloth exported during last three years, year-wise;

(d) whether the short production of cotton has made any effect on the handloom industry; and