

[Dr. Arun Kumar Sarma]

Makum-Dangori section is a 30 kilometre long stretch of metre gauge railway track which forms part of the 80 kilometre long Dibru-Sadia railway line set up by the British in 1881. This line assumes great importance from historical and emotional point of view as being the first railway track in the North-Eastern region. It was the oldest means of modern transport to this remote corner of Assam and Arunachal Pradesh inhabited predominantly by aboriginal tribes and backward communities.

After the development of township and railway terminus at Tinsukia for Delhi bound trains, the track between Dangori and Makum got deserted and this 30 kilometre track got neglected. Recently, there was public resentment when the North-Eastern Railway attempted to abandon this line by dismantling and auctioning the existing infrastructure. When the country has opted for "project unigauge" all over its territories, keeping a track of only 30 kilometre as metre gauge is not at all convincing.

I, therefore, urge upon the Railway Minister to take up immediate gauge conversion of this portion as survey for broad gauge conversion was completed during the Eighth Plan period. This may be taken up by providing adequate allocation in the supplementary Budget during the current financial year.

(vi) Need to Provide Express Train Service Between Kota and Bhopal

[Translation]

VAIDYA DAU DAYAL JOSHI (KOTA): Mr. Chairman Sir, Three trains connecting Kota city with Madhya Pradesh are running under Central Railway. All the three trains viz. Kota-Bhopal, Kota-Bina, and Kota-Damoh are local ones. Thus, these trains cover the distance of 100 kms between Kota and Bhopal in 18-20 hours whereas buses take only 8-10 hours to complete the journey. I am continuously demanding to run any one of these trains as an express train but my demand has not been met so far.

Therefore, I request to Central Government to run Kota-Bhopal passenger train as an express train.

(vii) Need to take Concrete Steps to Check Smuggling Along Seashore in the Country, Particularly in Gujrat.

SHRIMATI BHAVNABEN DEVRAJ BHAJ CHIKHALIA (JUNAGADH): Mr. Chairman Sir, Hashish, Heroine, explosive materials and currency are being smuggled into our country along the seashore of Kuccha-Saurashtra inspite of custom's police and Navy patrolling. During the festival days the quantum of smuggling increases. Two-three months ago, at Porbander a red Pakistani boat was found abandoned in front of red light meant for signalling the ships. Cleaner and other staff of that boat ran away. Some boxes were unloaded at seashore along Subhash Nagar at Porbandar, and nothing is known regarding that till date. Through you I would like to request Central Government

to take effective measures to check the large scale smuggling along the seashore and intensify the patrolling.

(viii) Need for Early Completion of Renovation Work of New Railway Station Buildings at Karad and Satara, Maharashtra

[English]

SHRI PRITHVIRAJ D. CHAVAN (KARAD): Mr. Chairman, Sir, the Minister of Railways had laid the foundation stone of renovation of new Railway Station buildings at Karad and Satara Railway Stations of South Central Railway. However, the work has not yet been completed.

I urge upon the Minister of Railways to ensure that renovation work of Karad and Satara Railways Stations in my constituency is completed early.

DISCUSSION UNDER RULE 193

Problems of Textiles Industry—Contd.

14.26 hrs.

[English]

MR. CHAIRMAN: Now, the House will take up further discussion regarding problems of Textiles Industry. Shri Madhukar Sarpotdar will continue his speech.

SHRI MADHUKAR SARPOTDAR (MUMBAI NORTH-WEST): Mr. Chairman, Sir, yesterday I quoted a news item which appeared in the newspaper regarding the closing down of 120 textile mills. Today, to my utter surprise, I have seen the news item again in the newspaper which says.

[Translation]

'Decision to close down 70 textile mills'.

[English]

So, out of 120, they have already decided to close down 70 textile mills and render about 50,000 workmen jobless. This being the situation, now we will have to think over the entire policy of the Government as to what the Government is going to do with these labourers.

Sir, if you look at the industry, you will find that the industry was not incurring any loss. On the contrary, according to reports, this industry was making huge profit. I do not know what had happened all of a sudden that the industry had become sick. Then, most of the employers closed down the mills and referred the matter to the B.I.F.R. They started further proceedings because they were fully aware that the workmen were not in a position to run the mills on cooperative society basis. That is why, alternatively, they sought a solution by saying that the land of the mills should be sold away and the money accrued from it should be utilised for housing purpose and some other purposes.

Yesterday also, you said that the unions are in favour

sand that they are allowing the industry to sell the land. But are these unions going to give a guarantee that whatever money is collected by the employer or the Government would be utilised for the betterment of the workmen? That is the question. The workmen are not sure about the approach of the employers. Going by the experience of the past 50 years and more, the workmen are not prepared to listen to them. So, the question of selling the land of the mills in Maharashtra does not arise unless somebody comes forward and assesses the proposal.

If the land is sold, where will that money go? The Central Government or the State Government should take some guarantee from the employers that the money accrued from the sale of the land would be utilised for the betterment of the workmen. The rightful dues of the retired employees and the employees who have resigned and others should first be cleared. They should also give a guarantee that those employees who want to work in the same industry would be provided with job and they would be looked after well by the same employers. The necessary development of the industry, automation, standard of work, quality of cloth etc., should also be looked into. Thereafter, they would continue to work there for years to come so that the workmen would not face similar problems again and again. If somebody is prepared to give that kind of guarantee, naturally workmen will not come in the way of even selling the land. But now the workmen are very much doubtful about the intention and the approach of the employers. So, the workmen are not going to allow the selling of the land and collect money because they are fully aware that that money would not be utilised properly.

Sir, there are textile industries in Mumbai-Karnawati-Karnataka, Kanpur, Calcutta and Sholapur. They are all textile centres. But everywhere millions of workmen are suffering. How to stop this entire episode, is the biggest problem and the biggest challenge before the Government. Yesterday, one of my friends, Shri Thorat from Maharashtra referred to the Laxmi Vishnu Cotton Mills, Sholapur. My question is, how much money that mill has to pay to the Government, to the electrical authority, to the provident fund, to the ESI and so many other things. Unless they pay crores of rupees, there is no possibility of running this mill. The Government is not taking any action against those who are the owners of these mills. They have never been arrested. If a workmen commits a small mistake, a chargesheet is issued immediately, inquiry is conducted and he is thrown out of the employment. When the mills and factories where thousands of persons work become sick and get actually liquidated, no penal action is initiated against any employer. It is a very unfortunate thing in this country. Most of the money has gone into the scam and most of the money has gone into corruption. If you see the scenario of this country today, a parallel economy is working. In that parallel economy, the blackmoney is having edge over regular economic policy of this country. We are appealing to these people that those who are tax evaders could deposit 30 per cent of their income and they will

be made free. There will not be any penal action against them. So, we are bringing the tax evaders and taxpayers on the same level. It is a very unfortunate thing. It means we are encouraging the tax evaders to evade more and more taxes. He are also encouraging the taxpayers not to pay taxes. This is how the entire economy of our country is working.

Sir, they are forcing the labour to accept VRS scheme. They are utilising the gangsters for this purpose. These mill owners are themselves utilising all the forces of the gangsters. They have started to force the employees to collect their dues under VRS scheme. As you know, as a result of that late Sunit Khatao and late Thakkār were killed by the same gangsters. Dr. Samant was also killed by this method only. Here there was a roar. But this roar is against whom? Without going into the details and without collecting entire information, people make certain allegations. It is our utmost responsibility to properly analyse it and see how the things are going on. Unless we examine the case correctly, there is no use in making unnecessary attacks on the wrong persons and the real culprits are allowed to go scot free. Even now if they want to do anything, they will again kill somebody only because the money makes miracles. Those people are playing this game as they have money.

As regards BIFR, this is also one machinery under which the employers are taking shelter. If an industry continues to be sick for two-three years, the matter is referred to the BIFR. Once the matter is referred to the BIFR, a number of meetings will be held. Every one has to come here from Mumbai and other destinations. The workmen and representatives of the Unions find it very difficult to come to Delhi and defend. Thereafter what happens? They get concessions in provident fund, ESI, sales tax and in all the taxes. They also get other reliefs. Thereafter, what happens is that BIFR takes its own time and ultimately the working class suffers.

The sickness of these mills depends upon so many ancillary industries also. I would like to mention that those who manufacture various items of machinery, accessories, stores, chemicals, etc., their direct dependence on the textile workmen is 10:5. Due to the closure of the mills, 50 lakh family members are likely to suffer. The textile industry has witnessed a phenomenal growth during the last four decades. I do not know all of a sudden what has happened.

Now they started closing down the industry. My problem is, when I go through all these reports on the subject as well as the comparative reports, I notice that there is no necessity of closing down the mills. I will just read out from the report:-

"Production of cloth and employment generation:-The weaving capacity in the organised mill sector has been stagnated for a number of years. The situation changed with the removal of restrictions in the creation of capacity in the textile sector as permitted by the Textile Policy of 1985. The production of cloth in the mills sector in 1994-

[Shri Madhukar Sarpotdar]

95 was 1,779 million sq. metres as compared to the production of 1,990 million sq. metres in 1993-94. The production of cloth in the mills sector is estimated at 1,634 million sq. metres in 1995-96. The data on production of cloth in the mill sector, the handloom sector and the powerloom sector during the past few years is set out in Appendix X (PR). The employment in cotton-made fibres textile industry as on 31-10-95 was 10.43 lakhs.

MR. CHAIRMAN: Please conclude.

SHRI MADHUKAR SARPOTDAR: There are two or three citations. I will make them and thereafter conclude. Eventually somebody may ask what is the relief, what is the alternative and what we should do to tackle this problem. Some proposal is to be made and that proposal is very vital and very important. Instead of forcing the labourers to further unemployment and putting them to suffering throughout the year after they render their services for 25 to 40 years in the industry, what the Government should do? If the workers are made surplus and if they are jobless and if they are having no income today, then what is to be done? That is also equally important to consider.

MR. CHAIRMAN: You can give the suggestion in the meeting at three o'clock now which you will be attending.

SHRI MADHUKAR SARPOTDAR: Let it be on record. I will make the proposal so that tomorrow somebody will not say that I could not make the proposal for want of time. How many mills can be saved by selling the land? This is the first question.

The next question is who will save the land and preserve the money.

Thirdly, money should not go into the hands of the employer.

The mills should be developed and employees absorbed immediately.

The legal dues of the workmen retiring, sick, retired or died should be given priority in payment.

Before selling the land, it is absolutely necessary that the Government should apply its mind correctly to the problem and after collecting the money, whatever land is there, whatever may be the money collected, even if it is crores of rupees which they may collect by virtue of selling the land, that money should be utilised for the guarantee of the employees and then only in the true sense of the term we will be rendering justice to the labourers who have been working after the attainment of our independence for years together in the industry. All these millowners have siphoned off the money during all these years. Their money was utilised elsewhere and the mills are made sick. They have not paid attention for the development and the modernisation of mills and for the absorption of the workers. The victims are the workmen and in order to save the

working class, it is absolutely necessary that whatever money is to be reserved, should be utilised for their development and welfare.

So, I request Shri R.L. Jalappa, since he is looking into these affairs, that he should apply his mind to this problem. He has got sympathy for the workmen. But only words of sympathy will not solve the problem. Actual sympathy and solution to the problem is absolutely necessary.

I hope the Government will do the needful in the matter.

[Translation]

SHRI RAM NAIK (MUMBAI-NORTH): Mr. Chairman, Sir, all do agree that textile industry is sick, however, regarding the assessment of the sick textile mills opinion of different experts vary like as a story of blind persons goes in which every blind person, touching separate organ of his body—one touching his feet, the other touching his ears, another touching his tail and still other touching his belly—had his own opinion about the elephant.

14.41 hrs.

(SHRI CHITTA BASU *in the chair*)

One important thing in this regard is that the textile industries are of different kinds. At some places there are National Textile mills while at other places there are textile mills run by the State Government, at some places these textile mills are run by Ltd companies while at other places mills are run on partnership basis, There are also textile mills run by co-operative sector. Therefore, the causes of sickness of all these textile mills are different. In view of which, my foremost suggestion is that the Textile Ministry should present a status report regarding the structure of various textile mills specifying their present positions, the number of workers employed therein, the factors responsible for the sickness and how the situations can be improved.

[English]

The factual reports of all the textile mills in India should be presented to the House.

[Translation]

I feel on that basis, the discussion would be more fruitful and the Government should prepare the status paper in this context only. This is my first demand.

My second suggestion is that Lok Sabha elections or Assembly elections—if Congress, Party resist any sudden political move—are not likely to take place in the near future. Otherwise the decisions are politically motivated to win the votes of textile workers, whether they are textile workers of Mumbai, Ahmedabad or Kanpur and these political decisions have no practical basis. Since there is no scope for any elections in the near future, I feel that the problem should be sorted out with a positive, non-

political considerations in the interest of workers.

On May 9, 1997 in Lok Sabha, I had asked a question regarding Maharashtra State Textile Corporation in which I had asked:

[English]

"Whether the Government are aware that the Board of Industrial and Financial Reconstruction (BIFR) has issued notice to wind up Maharashtra State Textile Corporation (MSTC)

[Translation]

In its reply I was told,

[English]

The Minister of Textiles said:

"Having considered all the relevant facts and circumstances of the case, the Board for Industrial and Financial Reconstruction (BIFR), is of the *prima facie* opinion that it is just and equitable that the Maharashtra State Textile Corporation Ltd. (MSTC) should be wound up."

[Translation]

Just as the orders by The President for the execution of a person are issued that—

[English]

The President is pleased to hang this gentleman—

[Translation]

If the Government also adopts the same attitude and closes the textile mills, it would not be equitable and just therefore, the discussion should cover all the aspects.

I would not like to waste the precious time of the House by repeating the suggestions already made by my previous speakers. It has been stated here that textile mills not only make 20 percent industrial output but also provide employment to about two crore people. Despite sickness, 38 percent of the total export is contributed by this industry.

[English]

38 percent of the country's exports are of textile exports.

[Translation]

While discussing the problem, an important question arises—whether there has been decline in the textile consumers or in the demand of textiles. It is not so. Neither there has been any decline in the number of textile consumers or in the demand. Rather the number of consumers is increasing. People need cloth, therefore consumers are innumerable and this is not the real reason for the sickness of the Industry. The cause, I feel, is mismanagement.

Now the question is as to how to solve this problem.

If the Government really intend to do justice with the country, main industries, workers etc. proper planning and devotion to work is essential as a Sanskrit saying goes— "Yojaka tatra durlabha." Therefore, in today's discussion I would urge upon the hon. Minister that as a planner, the Government should plan the things properly and work efficiently, that is most important.

Why the situation in the textile industry has worsened to such an extent? I think irresponsible union leadership is the main cause. Just now, Shri Sarpotdar referred to Mr. Datta Samant. I also belong to Mumbai. The strike which was observed by the textile industry in 1980-81-82, proved fatal. What were the reasons for this strike? It was due to the internal controversy of trade union. There is a union named National Mill workers' Union led by Congress. It is not supported by any Member, but it has been recognised as a representative union. Dr. Datta Samant had the support of more workers but that union was not recognised. Therefore, while discussing the matter regarding textile industry, we will have to take some concrete decision regarding unions also. Workers should have the right to support the Union of their own choice. The Act regarding the Union should also be amended.

Secondly, the owners, organisers of mills are very selfish. They have earned a huge money. These days, there has been a tendency to do business under the cover of claiming the industry as sick they declare the industry to be sick, get the permission to sell the land and thus mint more money. This is also one of the factors.

Another factor, I feel, is the unconcerned Government. The Government do not maintain any rapport with the mill workers. They have nothing to do with them. Whether the workers sit idle or they work the Government is least concerned. We have to discuss the problem with a view to bring about a change in their role I referred to the National Mill workers' union. Had the Congress Members from Maharashtra been here at present, they would immediately have visualised the prevailing situation, as referred by Shri Sarpotdar also. National Mill Workers Union once led by a leader like Shri G.D. Mavalankar, is being led by the criminals these days. There is complete mess in the Union, i.e. National Mill Workers Union itself. It situation there that's why I am of the opinion that the workers should be given the right to join the Union of their own choice.

I believe that our efforts on this line may improve the miserable condition of the textile industry.

I do not know if the hon. Minister has thought it or not. What is happening? There are very big textile mills like The Arvind and The Mafatial Mills where there is no production in their own factories. But you can see that the Power looms of Punjab, Maharashtra, Bhiwandi, Shola Pur etc. are doing production for textile industries. They are doing production under the trade marks of big mills. Since their own selling organisation is not strong, so they only carry out production of textiles whereas the big mills do not carry out any production. This is the situation. There is no scarcity of consumers. People are getting cloth in

[Shri Ram Naik]

the market. When textile mills are closed, their production is also closed and consequently there should have been a shortage of cloth, but contrary to it there is no shortage of cloth in the market. I feel there is a diversion of role. Mills are closed, yet the goods under their trade mark are manufactured by different powerlooms. Is it proper? How can we change it? How can we control it? This point should also be considered. And if any one is exploited in this process, it is the labour because he is rendered jobless. Labourers are not getting salary and dues. The workers working in those powerlooms are not getting their due wages. So at one place the earlier workers are becoming jobless whereas on the other hand workers are being exploited. This is the situation

I want to repeat what I have said

[English]

What is the crux of the problem?

[Translation]

The Crux of the problem is that it is profitable for the mill owners to close down their mills. If you are otherwise in profit why will you go for production. Since closing down of mills are profitable so efforts are on to close them down. They are pinning their eyes on the factory land situated in the town. I would like to request the Government that it should nationalise the closing private mills. The Government should own the land of those mills after their nationalisation and thereafter it should use that land. In this way the position of the Government will be further strengthened, and it would also be able to assess the position of Government mills.

In Mumbai the earlier Congress Government had already given permission to several mills to sell their lands and to use the money. I have the names of those mills with me. I need not read out all those names. I shall point out the names of some of them which include Kamla Mill, New Mill, Modern Mill, Standard Mill, Shri Ram, Piramal, Mafatlal, Hindustan etc. The Government had imposed a condition that out of the proceeds, one third of the land would be given to the Housing Board. There it is called 'Mahada', The Maharashtra Housing Development Authority, of which Shri Sarpotdar was the chairman up till last week. He will provide land to 'Mahada' for Constructing dwelling units for the people. The next one third land would be given to the Mahapalika which provides Civic amenities. And the rest one third land will be sold and the profit earned by selling it would be utilised for renovation, modernisation etc. The one third land of the owner was sold but land was not provided to 'Mahada'. The work relating to construction of houses did not progressed. Moreover, no land was provided to Mumbai Mahapalika for carrying out its activities. We are talking of providing concessions, but we also need to think as how to control that.

I have also found that the big mills like Century Mills, have closed down their units in Mumbai, but they have

opened small mill in Indore. As a result of this the workers had to stay there itself. The Morarji mills have started units in Dawangiri Nagpur, Mafatlal has opened a small mill in Navsari Thakarsi has started work in Karar', while Rubi Mills have taken up work in Khapoli and Shri Ram Mills has started work in Devas. The big Mills are closed down only as a show off exercise, but actually they restart small units at other places. I think this is a cheating with workers. It is our duty to check this cheating.

Lastly, I would like to ask whether the workers have been benefited through the textile workers Rehabilitation Fund Scheme. I would like to know whether the hon. Minister is satisfied with the progress of the work under that scheme.

If he is satisfied, the feeling of the workers should also be realised. No body is satisfied. The biggest industrial unit of the country on which two Crore people are dependent is ruined in no time for want of solution to the problem of the unit. I am not referring to the ruling Party alone. It is the duty of every Member to find out the remedy of this problem and move the things in the right direction.

The hon. Minister and the hon. Speaker have called a meeting at 3.00 p.m. We will give our constructive suggestions there. Moreover, I would like to request that we should formulate a policy by taking it as a problem of the country and not as the problem of a Political Party. What is that new policy? If the Government submits a status report, in this regard then I assure you on behalf of our party that we will support it and everyone will support whatever Scheme is made by the Government. I request the Government to work in this direction and take the credit of saving the sick industry. With these words I conclude.

[English]

SHRI ANADI CHARAN SAHU (CUTTACK): Mr. Chairman Sir, after Shri Sanat Mehta has painted a brilliant canvass of the impending disasters and the storm, the dark pregnant clouds, the plight and the flight of workforce of the textiles industry, I do not think there is any necessity for me to repeat the same. Any attempt on my part can at best be the second best. What he has indicated is really a matter to be browsed over. We are facing lots of difficulties in the textiles sector.

My objective here is to indicate as to what a particular group of people in Orissa are facing because of the difficulties in the textiles sector, be that the jute industry, as the hon. Chairman had indicated yesterday, or the cotton textiles industry. A large number of people who were going to Calcutta for working in the jute industries—it is not necessary for me to repeat—have become unemployed now. The large barns along the canals of Cuttack district are lying unutilised. Nocturnal prey birds are the only inhabitants of those large barns and the people do not have any work. Jute production also has gone down considerably. The support price that was being given for jute has also gone down. The Jute Corporation of India was giving some help. The Government of India owes them something

to the tune of Rs. 250 crore. A crippled Jute Corporation cannot do anything to revive the jute industry.

I am not speaking much on the jute industry. I will be going into the textiles industry. I will indicate only a few points. There are four points regarding sickness in so far as the textiles industry is concerned. With your kind permission, I will only indicate very briefly what are those four points of sickness that have been creating problems for the textiles industry. The first one is lack of modernisation. We have lots of industries whether in the organised sector or in the unorganised sector. In the organised sector we have lots of composite mills. I think 250 composite mills are there in India. They have the difficulty of modernation. For that we are responsible, whether it is the National Textiles Corporation or any other mill. I would like to tell that political sensibilities, or insensibilities for that matter, or expediency overcrowded common economic logic in the textiles industry over the years. I do not like to blame anyone. We had imposed certain things on the mills asking them to produce cheap clothes. I think 50 per cent was the quantum which was fixed for the composite mills. They were to produce 50 per cent clothes for the poorer sections and they had sustained losses. The Government did not adequately compensate those losses. We faced lots of problems and modernisation as a result we suffered.

Apart from modernisation we have the practically stagnant demand of cotton textiles. In India 75 per cent cotton textiles and only 25 per cent synthetic fibres are used. The world scenario shows that 51 per cent synthetic fibres and only 49 per cent cotton textiles are being used. When there is stagnant demand and there is less raw material supply, there is difficulty. In India the per hectare production of cotton is about 290 kgs. whereas generally the world production is about 800 kgs.

15.00 hrs.

Our neighbour, Pakistan is producing about 500 kg. per hectare. The cost of production of cotton has been going up in India, as a result of which there is irregular supply of cotton to the industry. The raw material supplied is absolutely irregular and the prices have gone up. It may be seen that within the last ten years the cotton price has gone up by 150 per cent whereas the finished product price has gone up by only 72 per cent, as a result of which there is a disparity. The cotton textile industry cannot cope up with these disparities.

We used to have the best variety of cotton from the Coimbatore area. This was the SAVAM variety which was comparable to Giza 45 or the Egyptian cotton variety. But because of lack of subsidy and support from the Government and lack of support from many other sectors, the production of the SAVAM variety has completely stopped. We are importing the Giza variety at a very enormous cost. The cost is so high that to bring that variety of cotton to India, making finished products and sending them to the market have become a difficult proposition now.

We are now depending for cotton textiles and garments

mostly on exports. The exports have increased by 13.5 per cent. But this increase will not last for another ten years. We have the treaty of the World Trade Organisation of this; we have the MFA. In seven or eight more years, there will be no export at all because we will have stiff competition from the countries which have been producing cotton textiles or synthetic fabric or anything of the sort. We have to have a long-term planning on this.

I am talking only about the sickness. I am not going into the other details of it. The next aspect is working capital. Unless the Government comes forward to give some working capital to the industries which are going sick or have gone sick, they would not be able to revive their units. Let us take the case of the National Textiles Corporation. It was decided that Rs. 2005 crore would be required for reviving other units under the National Textiles Corporation. We have one of such units in Orissa, the Bhagatpur Cotton Mills. It is a spinning mill and it was doing well. Only for non-sanction of funds for paying the electricity dues, that mill has been closed.

Will the hon. Minister of Textiles kindly lend me his ear? I wrote a letter to him about five months ago requesting payment of the Employees Provident Fund amount. I would not say what that I got was 'a terse reply' but I would term it 'an evasive reply'. If they want to close the mills, it is all right. The BIFR has said that in the eastern grid there are eighteen mills under the National Textiles Corporation and that they want to reduce it to fourteen. So far, so good. Let them close the mills, if they want. Political expediency is absolutely necessary. They can take it up. But those people who would be rendered jobless do not have anything to see but a bleak future. Why the Government does not take a decision either to revive or to close down the mills? A decision has to be taken. As I indicated earlier, political expediency or inexpediency should not stand in the way of the people who have been working in the textile sector.

In Orissa, we have two important areas where sarees are being woven. One is at Maniabundh in my constituency. That is the only area in India where about five to six thousand original Buddhists are staying. They have all been Buddhists for the last two thousand years and they are weavers. They mostly require the medium court textile fabric. In earlier days, they used to get it either from Bhagatpur or nearby areas. We had cooperatives. We still have a cooperative which is in a moribund State in the Dhenkanal constituency of Shri K.P. Singh Deo, the Govindpur Spinning and Cotton Mills. These weavers are not getting the required cotton. The Buddhists have to go to Tamil Nadu. Think of the overhead cost !

The people who have been producing the best sarees are not able to do it because cotton fabrics are not available. Cotton fabric of the best variety can be available if we revive the Coimbatore long yarn cotton, that is, *Suvani* type of cotton. So, you may kindly take some steps, as you have been taking steps in wheat, a paddy and in many other sectors of agriculture. Why do you not take it up

[Shri Anadi Charan Sahu]

now itself? I am sure you would be able to compete with the best variety of fabrics outside this country.

These are the four reasons for which we have sickness. Now, to compete with others, to compete with the people who have been producing the best textiles in the world, what is required? There are four requirements. The first is the quality, that has to improve. It may be that you use synthetics in warp or whoop—whatever the technical term it has, you know it.

Pallivastra, that is polyester and cotton, has become very very popular now. In Maniabundh also, I have found that the Buddhist weavers use the *pallivastra*, which is quite popular. Why do you not popularise it in some other sectors also?

Then we have designs. It is a fact that we have unorganised powerloom sector and we have unorganised handloom sector. The unorganised sectors are over taking the organised composite mill sector. But the mill sector can take up a little bit of research with the Government money, with the Government funds or with the Government assistance for new designs so that it can compete with the best of the world.

We have the best designers in Orissa, in Maniabundh or in Sambalpuri sarees. That is why, Maniabundh or Sambalpuri sarees are famous all over the world. They have cotton fabrics; they have silk yarn. Even now some of them are also using polyester occasionally, to produce the best sarees. So, the design is the most important thing which the hon. Minister of Textiles may kindly think of in getting the best.

Then, we have reliability.

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): May I intervene for a minute? We have six centres mills for fashion technology now. We have been trying. In addition to that, we have computerised design centres also. We are doing our best and we know that without designs, we cannot compete with the outsiders. We are at it.

SHRI ANADI CHARAN SAHU: Thank you. I would tell a story about a man who was in Banaras. His name is Supkar; he is from Orissa who got *Padmashree* for good designs. Good designs, Mr. Minister, in your laboratory cannot stand unless you bring people from the original areas where there is weaving and all sorts of ideas. Those are the people who have dedicated their lives in preparing designs. We had *Padmashree* Krutarth Acharia and we also had another person, Supkar who was staying in Banaras. Supkar was a musician, but he was a good designer too. Many of you might be knowing those people. Those are the real and innovative types of people. I do not say that we have such people only in Orissa, but we have such people in Kota or in any other place in this country. There are designers who are good and innovative who have original ideas. So, they have to be brought in.

Then, we have reliability and price. Price is the most important factor. We have to think of controlling the prices. In this connection, I would like to invite your attention to this thing. A lot of subsidy claims are made, here and there, by different people. You have sanctioned about Rs. 750 crore for subsidy claims, but only Rs. 460 crore has been fully utilised.

Textile Modernisation Fund had been created by the Government with a fund of Rs. 750 crore, but only Rs. 421 crore had been utilised. Why is it so? Why can we not utilise the entire fund and create something new so that the textile industry could survive?

In textile industry also we have one difficulty. The spinning capacity is 86 per cent whereas the weaving capacity is only 53 per cent. That creates a lot of problems. You have more yarn, but less of weaving capacity and less of clothes. That has to be balanced in a proper manner. It is very good that you have been importing viscose staple fibre. That is almost cotton. You may kindly bring it, instead of bringing cotton which is priced very high.

So, these are the few things which I wanted to tell when you are thinking of the textile industry. We have about 50,000 to 60,000 Oriya people working now in the textile industry in Gujarat and slowly, they are coming back to Orissa. Kindly think of the agony of those people who are without any work. My concern is for those persons. I am not a textile magnate nor do I know anything about it. We have some four or five textile and spinning mills in the State sector which are in a moribund state. We have to give them morphine and coramine and all these things from time to time to revive them, to make them live and not to let them die. But the only one mill of the National Textile Corporation, the Bhagatpur Cotton Mills is already dead. I do not know whether you are reviving it or not but the corpse is there. My interest is for those people who have been coming away slowly from Gujarat. Kindly think of them. My friends from Gujarat have asked you to give some compensation or some employment or something of that sort to the labour force which is not having any work. The Government, being a welfare-minded Government, have to think of those 50,000 people who were staying in Surat and during this trouble, they had come away. Again they have been going back. A large number of people who had settled in Surat area had been working there and now, because of the closure of these mills, they have been coming back to Orissa. It may be true of other States also. What is true of Orissa could be true of other States also. So, there should be a proper policy so that these sick industries could be revived. It would not be difficult to revive these industries with a little bit of imagination, help and support.

Now, what are the remedies? I would like to tell about the remedies and wind up my speech. There should be full support to the Export Promotion Councils. If there are Export Promotion Councils, the Government should support them in whatever way possible. Then, there should be concessions in exports. Now we are exporting. It has gone

up, within one year, by 13 per cent. Kindly give them concessions in whatever way possible. Then, duty free import cotton should be given for the time being. As I had indicated earlier, subsidy should be given to the farmers who start growing cotton. You know of Kalahandi which is a drought affected area. Fifty years back, it was producing the best variety of cotton. Now it is not there. So, unless we give some subsidy to those people, it would not be possible to revive the very basic matter of supply of raw materials.

Last but not the least is about modernisation and replacement of funds. Kindly do not misunderstand me if I say that there is a morbid propensity to sloth on the part of the Government to procrastinate the matter. There is morbid propensity and that morbid propensity of procrastination should go. If we can do that, then this industry will survive.

SHRI R.L. JALAPPA: Sir, there is a meeting organised by the Speaker and so, I have to go and attend it.

MR. CHAIRMAN: You may please go. You may ask some members of the Cabinet to remain here to take note of the points.

SHRI HARIN PATHAK: Sir, at what time is the Minister going to reply to the debate?

MR. CHAIRMAN: I shall be able to inform after some time.

SHRI HARIN PATHAK: Would it be at 4 P.M.?

MR. CHAIRMAN: Not exactly. The Speaker will decide about it.

SHRI C. NARAYANA SWAMY (BANGALORE NORTH): Respected Chairman Sir, I thank you for the opportunity you have given me.

There has been a lively discussion in the House on the problems relating to the textile industry of the country. Our esteemed colleagues here in the House have drawn the attention of the Government and the House especially to the problems relating to the textiles, with special reference to cotton and jute.

Textile, especially, cotton and jute have drawn the attention of the House and the country during the past few days. I would like to refer to another facet of textile, especially that relating to the silk industry.

India stands second in the world in the production of silk. China has the highest production of silk in the world, producing 74,000 MT annually. The annual production in India, which though stands second in the world, is only 14,000 MT. In view of the fact that there is tremendous potential for the production of silk and also export of silk world-wide, India can play a dominant role in this field.

The Central Silk Board was established by the country to promote the production of silk in the country through its research and development facilities. The activities of this

Board have been funded by the World Bank till recently. Till the end of December last year, we had what is popularly known as the National Sericulture Project which, as I said earlier, was funded by the World Bank. Now, by the end of the last year the World Bank assistance has come to a close with the result the funds required for the development of the silk industry in the country would have to be mobilised from within the country. The various activities which were undertaken by the Central Silk Board, have now been handed over to the respective Departments of Sericulture in different States.

We have traditional silk producing States in the country. In view of the importance that the silk industry has world wide, Government has thought it fit to extend it to newer areas which are called the non-traditional States in the country. There is a need to provide the resources required for the industry. A lot of administrative and financial arrangements need to be undertaken by the Government in this respect.

I would like to place a few facts in relation to this industry. Last year, our total requirement of silk was estimated to be 24,000 MT of raw silk. As I said, 14,000 MT was produced indigenously in the country. We had 100 per cent export oriented units which were allowed to import raw silk from other countries, mainly from China. By using this imported silk, they were expected to show their exports of value added products, mainly readymade garments and upholstery materials to different countries. Nearly 4000 MT of silk was allowed to be imported through legal channels for these EOUs. Taking 14,000 MT of indigenously produced silk and 4000 MT of silk imported legally, it comes to 18,000 MT of silk. there is a gap of 6000 MT of silk. Altogether we use 24,000 MT of silk.

I would like to bring it to the notice of the Government, through this honourable House, that this gap of 6000 MT was bridged neither through legal imports nor through increase in indigenous production of silk but through the smuggled sources of silk. This 6000 MT of raw silk came into our country across the borders of China, Vietnam and other such places. Even out of 4000 MT of silk that was imported legally into the country through the export oriented units, much of this raw silk was allowed to be imported duty free by the Central Government through the EOUs because it was procured at a cheaper price than the market price prevailing in the country much of the legal imports went into the open market, though not used for the production of silk by the EOUs.

In view of this, there is a parallel silk supply, especially of silk of imported variety. This fact has to be borne in mind while we frame our policy for the development of silk industry.

I would like to mention here certain loopholes in this industry. Sericulture and silk industry are the fields which provide maximum employment at minimum investment by the Government. Investment either by the Central Government or by the State Governments is minimal when compared to the input and employment ratio in other

[Shri C. Narayana Swamy]

sectors of our economy. At this juncture, I would like to mention that when a farmer takes up silk worm rearing, there is employment at that level. There is employment at various phases of this industry like reeling, twisting, weaving, dyeing. And then we have the popular and developed ready-made garment industry which again provides employment to millions of unemployed people especially unemployed women in the country.

There is a need for modernisation of this industry. I would like to inform here that the quality of silk that is imported into the country from China and other countries is superior in many respects. Especially *renditta*, that is, the length of yarn that we get in a cocoon of silk worm, is different when we compare it with the silk of the other country. In order to improve the *renditta*, research and development activities have to be improved.

When we can worldwide get a kilogram of raw silk with, say, five to six kilograms of cocoons of exotic varieties normally we require eight to ten kilograms of indigenous varieties of cocoons to produce one kilogram of raw silk. Unless we bridge this gap, the cost of production of our silk would be very high and it would not be competitive. In other words, we would be able to get superior quality of imported silk at a cheaper price than indigenously produced silk of equal quality. We have to give thrust on these things. It requires financial inputs into the modernisation of existing machinery, into providing better and exotic quality of silkworm seed and also improving the quality of mulberry. Most of the silk production in the country is mulberry-based. Improving the quality of mulberry and cultivating high-yielding varieties have to be popularised.

We have both powerlooms and handlooms. We have been using age-old and outdated looms nationwide. The Government will have to bring in a policy for modernising these looms. Poorer segments of the society who are involved in this field of activity as a self-employment oriented activity must be given financial and technical assistance by the Government.

As I said, after this activity which was mainly with the Central Silk Board, after the withdrawal of the facility by the World Bank, is handed over to the respective State Governments, we find that not all the States are giving equal importance for the development of sericulture in their respective States.

Infrastructure facilities that had earlier been established in different States by the Central Silk Board have now been handed over to the respective States. But they remain unattended to in most of the States. Now, the Government of India must take it upon itself to see that these projects do not suffer for want of finances, for want of priority importance by the States. So, I would request the Government and the hon. Minister of Textiles because he has been evincing keen interest in the development of textiles in attending to the problems of the industry. He has also—I should thank the Government through you—taken the

initiative to provide the latest multi-end reeling equipment and machinery, subsidising it where we had the traditional cottage basins. The same is sought to be replaced by the recently developed reeling machinery where we will have better quality of silk. It is another aspect. In order that we have to compete globally, we have to meet the world standards in design and also in quality. Now, there is need and the Government is also taking action in this respect by bringing in computerised design, technology and also other innovative methods of popularising this industry. I am happy to say that.

I call upon the Government to give more importance to this industry. I would suggest that in order to bridge the gap in the demand and supply of good quality raw silk in the country, there is need to improve the supply of raw silk to the weavers in the country. The Ministries of Finance, Commerce and also Textiles must coordinate the overall development of sericulture and silk industry in the country. Smuggling of raw silk into the country must be prevented. The Government must set up a Fund to see that there is price stabilisation of raw silk and to see that silkworm weavers are not exploited when there is no demand for the silk produced by them.

At this level, I would suggest that Government takes steps to see that there is stabilisation of prices of raw silk of cocoon produced by the sericulturists so that the prices do not fall below the cost price with the margin provided for the efforts of the families.

Now, I would suggest at this juncture though this is a controversial measure in other countries like Japan when they were allowed to import raw silk from other countries, they imposed duty on the imported yarn and made it available at a higher price indigenously so that the prices of locally produced silk do not go down and they are able to have a support price indigenously. And the amount that the Government, I would suggest, would get in this process runs into hundreds of crores. The margin that the Government would legally be getting would help in preventing smuggling in the country. The amount would also ensure supply of raw silk to the weavers in the country. This amount can be used for establishing a Price Stabilisation Fund or silk Industry Development Fund in the country.

I would like to refer to the position of handloom weavers in the country. There is a need for modernisation and technological improvement. Regarding khadi, I would like to say that most of us use khadi but in view of the fact that it requires a lot of input, the cost of production of khadi is more when compared to synthetics in the country. There is need for support from the Government. The rebate that was available for the sale of khadi cloth during certain festival seasons is withdrawn and that has to be again reintroduced with effect from 1.4.97.

I would request the Government to provide for the sustenance of this industry and to see that the sericulture industry as a whole does not suffer because while we see an increase in the export of textiles in the country, the foreign exchange earnings in this field, amounted to our

40 per cent of the total export earning in the country last year.

But the export of silk garments has marginally come down last year because of these vagaries. I would call upon the Government to see that equal importance is given to this silk industry and ensure increased exports from the country.

SHRI PRAMOTHES MUKHERJEE (BERHAMPORE) (WB): Sir, perhaps I am the last speaker, I must get sufficient time to cover my agonies.

Thank you, Sir, for the opportunity given to me to express my views on this highly important Motion in regard to the problems of textile industry in our country.

Sir, Indian textile industry had a good day. It had its market all over the world but that Indian textile industry had lost its viability not due to its own inherent weakness but due to the mishandling of the situation by the Government of India.

Sir, I have heard the valuable speeches in this House. I have heard the sweet words and sweet promises from the Textile Ministry and from the Government of India. But those sweet words, and those good promises did not help in the recovery of the textile industry from sickness. They could not recover the decaying textile industry.

Sir, I have seen and I have experienced the influences of the new economic policy of the previous Government. I have also seen and observed the impact of the new economic policy upon the decaying textile industry. The new economic policy of the previous Government was the policy of privatisation and liberalisation. That policy of privatisation and liberalisation is still seen today even after taking over by Shri P. Chidambaram, our hon. Finance Minister. Sir, it is very unfortunate that the new economic policy of the privatisation and liberalisation has strengthened the hands of the multinational corporations, the national bourgeois or the private sector. Sir, there is an history behind the growth of public sector undertakings in our country. There is also an history behind the growth of the idea of nationalisation of the textile industry. The nationalisation of this industry did not come at the mercy of anybody. It came into existence after a long toil and after a continuous struggle of the workers and the trade unions all over the country.

Sir, we can still remember the days of the late sixties which was the decade of transition from private monopoly to State monopoly. We still remember the days of the late sixties which was the decade of switch over or change over from the private management to the State management of the industries and of the enterprises. Those days had gone. But in the year 1969, we still remember, that fourteen banks were nationalised by Shrimati Indira Gandhi, the then Prime Minister of our country. At the same time, following nationalisation of fourteen banks, we saw that the management of the textile industry, and the management of the coal mines were nationalised by the Government. What was the compulsion for nationalisation? What was

the compulsion for the Government to take over the managements of the coal mines, the banks, and the textile industry? The pressure of the people, the social circumstances, the economy, and other events were the contributing factors which compelled the Government to take over the managements of these industries.

We cannot forget these incidents. I am surprised when I see that the Nationalisation of Indian Textile Industry Mills Management Act was passed on the floor of the House in the year 1973. No one took over the management of the textile industry unnecessarily. This House resolved unanimously for the nationalisation of the textile industry. I cannot understand how the Act of Nationalisation can be withered away by the successive Governments. When it was nationalised under the Nationalisation Act, how can this be changed or altered? This cannot be done.

Through you, I urge upon the Government to consider how this Nationalisation Act was relaxed or altered otherwise. It cannot be done. So, I beg of you to refer to the history of the Chapter of nationalisation of Indian textile industry only because of the fact that I had bitter experience of the NTC of Eastern Zone. My friend has already referred to it. It is NTC of WBAOB, West Bengal, Assam, Bihar and Orissa. What is the functioning of the Corporation? What was the commitment given to the people, given to the management at the time of nationalisation of these mills? The Central Government was committed that the working capital, materials would be supplied to the industry, to these mills; that these mills would be revived and modernised. Has the Government fulfilled the task of modernisation? Today the Indian textile industry, NTC is sick. Why has it become sick? It is because, the Government have failed to fulfil their commitment to supply the working capital to the management for modernisation of the mills. That is the main reason.

There is a very old Bengal mill, namely Mohindra Bengal Textile Mill in Kasimbazar in my native town, Berhampur in the district of Murshidabad which falls within my constituency. I know the pros and cons of this Mohindra Mill and what happened there. That was a private mill. The mill was owned by a private rich man. That mill did not come under the Nationalisation Act automatically. My leader, Shri Amal Roy, you know very well, who was ex-MLA of West Bengal and veteran trade union leader and General Secretary of Mohindra Mill Workers Union and UTUC leader and our highly respected leader, Shri Tridib Choudhary, Member of Parliament from Rajya Sabha interfered into the matter and then launched a movement. The workers launched a movement. The people of the town launched a movement. We demanded that this mill, namely Mohindra Mill which was already closed by the private owner, should come under the Nationalisation Act and should be nationalised immediately in the interest of the workers, in the interest of the people of the area. After a long struggle, after the hunger strike, after fasting, after a serious movement launched by the workers, that mill had been nationalised by the Government of India during the regime of Shrimati Indira Gandhi. At that time, after

[Shri Pramothas Mukherjee]

nationalisation of this mill, after taking over of the management of this mill, the Government gave a commitment that the working capital would be supplied for the modernisation of this mill. Is there anybody in the Government who can say that the working capital was supplied and that had been misutilised? No. They did not supply the working capital to the management of this nationalised mill for the modernisation, for raw material, etc. This is the reason for the sickness of the mill.

The failure of the Government is the main reason for the sickness of the textile industry. Who is responsible? The Government is responsible. There were 1,500 workers in the Munindra Mill, now the number has come down to 364. More than 1200 workers have gone away; either they have passed away or they have retired from the service. All the workers of this mill have been thrown into the streets to die of starvation. This is the condition, this is the fate of the workers belonging to the nationalised textile mills. Who is responsible for it? Why the Government did not supply the working capital for the modernisation of these mills? Who will be responsible for the sickness of these mills? It is neither the workers, nor the management, but the Government.

Moreover Sir, I will refer through you that I have experienced and observed the activities of the BIFR, the Board for Industrial and Financial Reconstruction. The BIFR was constituted by the Government for the recovery of mills from sickness to activity. What is the function of the BIFR, what is the role of the BIFR today? Is the bureaucracy on the head of the BIFR 100 per cent honest to take stock of the situation, to study the entire situation and to recommend revival? I have doubts enough. The BIFR is not sincere in its work for the purpose of revival of sick industry. This is my submission to you and it is for your consideration because you are also a champion of the cause of the working community.

Sir, I will refer to a judgement, perhaps it might have come to your notice also. I do not know whether there is any difference between the editions of *The Statesman* newspaper of Calcutta and Delhi. Otherwise, I could supply the paper here. In the Calcutta edition of *The Statesman* of 3rd April 1997, I see one very important information that on 2nd April, the Calcutta High Court gave a historic judgement that the payment of wages, supply of working capital, supply of raw material, etc. cannot be stopped to the nationalised textile mills. It further said that the electricity cannot be stopped, provident fund of the employees cannot be diverted and that the workers of the nationalised textile mills should be paid their dues. The Calcutta High Court has taken a very serious note of this incident that the Government could not take up the appropriate action for the payment of wages, provident fund, gratuity, pension and other Voluntary Retirement Scheme benefits. So, Sir, I urge upon the hon. Minister to take note of the news item as published in the Calcutta edition of *The Statesman* of 3rd April, 1997 and would

request the hon. Minister to take appropriate action in this regard.

Lastly, my friend and colleague, Shri N.K. Premchandran, who is a Member of Parliament from Quilon parliamentary constituency, Kerala has given me an information to bring it to your kind notice.

He has said that Parvathi Mills in Quilon has to be modernised. The Government knows it very well that Parvathi Mills of Quilon is a viable one but it cannot be continued, it cannot be made workable and it cannot be modernised unless the Government sanctions sufficient money in the form of grant for its modernisation.

MR. CHAIRMAN: You have mentioned that. Kindly conclude now.

SHRI PRAMOTHES MUKHERJEE: Sir, I beg to mention it for your kind information and for the information of the Government that adequate funds should be released for the modernisation of Parvathi Mills of Quilon.

MR. CHAIRMAN: Now I request Shri Jagat Vir Singh Drona to speak.

SHRI JAGAT VIR SINGH DRONA (KANPUR): I would like to make a submission that Shrimati Sumitra Mahajan wants to speak now as she has to catch a flight today. I am prepared to forego my chance now and I will speak later on.

MR. CHAIRMAN: All right. Now I request Srimati Sumitra Mahajan to speak.

[Translation]

SHRIMATI SUMITRA MAHAJAN (INDORE): Mr. Chairman Sir, I shall express my views in a few words. I shall not repeat the points already made but one thing is clear from speeches that the House is concerned regarding Textile Industries. Textile industry is earning foreign exchange and has provided employment to over 20 lakh workers which means about 50 lakh people are earning their livelihood from this industry. But Textile mills are being closed down. Many reasons have been assigned for the closures. But textile industry never attracted due attention required for its growth. National textile policy, which is being repeatedly demanded, would have been prepared even much before, provided we would have given proper attention. But it has not been formulated so far. New textile policy was formulated on 6th June, 1996. It has been often said regarding various lacunae in the policy. Then Abid Hussain Committee was constituted. It gave some suggestions that how three departments will work for Textile Industry and how will they improve the functioning. But no attention was given towards these suggestions. Thereafter, an idea to formulate an integrated textile policy was mooted. In April 1994 a tripartite agreement was arrived at with Government of India and a tripartite Committee headed by the then Labour Minister and presently Speaker Mr. Sangmaji. The then Textile Minister was a member alongwith some other members. The committee declared

that we shall not close N.T.C. mills and shall pay them wages idly and all the mills will be renovated. Many things were said. It is a matter of great sorrow that an institution called B.I.F.R. was formed. B.I.F.R. was assigned with job of reconstruction and to give suggestions and prepare packages to run mills and to give solution of checking the sickness, and to give suggestions to revive closed mills or streamline the functioning of sick mills. To offer such type of package was the duty of Board. There are 271 cases before B.I.F.R. regarding mills. B.I.F.R. has suggested to close most the mills and package for restructuring have been given for only 13 mills. 7 of them have been granted approval. This is the latest position regarding sick mills. I am telling all these things because once upon a time we use to get up with the siren of the mill and whole family used to hope that workers going on work will earn bread and butter for them. Whole city used to awake with the siren's of the mills and the city was known for its textile mills, but in today not only worker but family after family is compelled to committ suicide. Mass suicides are taking place due to closure of these mills in this city. Worker's used to rush to their mills because the gate was closed to if he was a bit late. It means that these rules were meant for workers and we said that mills will not be closed but mills are being closed down at an accelerated pace.

We constituted a reconstruction board, which should give packages for these mills but it is not performing its job properly then who will speak against them, who will take action against it? There is no device for this. I would like to point out one more thing that mills are being closed down and as Ram Bhanji told earlier, it is a matter to think over neither anyone has stopped wearing clothes, nor production has been stopped, then what is the wrong with these mills. We had formed a fund named National Renewal fund, but this fund is being used more and more for V.R.S. This fund is being used to close mills and as how to give retirement to workers.

I am pained for two things. In my town workers use to go to N.T.C. Mill, because you cannot to retrench all the workers, however they are not getting salaries for even three-four months, but they hope to get their salaries and they have no work in the mill as cottons is not available. Even cotton which is available there is not of the required type and quality. This is also one of the factors responsible for the losses to the mills. If we thought that, the

[English]

unworthiness of the composite mills,

[Translation]

is also an aspect. Mills are closed down because the quantity of cotton required was never supplied. It is very painful for me, because I try to meet them once in one or two months because I can do only this for them. They go to mills and they have no work there and as you know that

[English]

empty mind in devil's workshop.

[Translation]

Workers play cards and then they do somany other things. Today the working capacity of those workers is being wasted in petty things.

Secondly, the V.R.S. benefits are availed by most of those workers who are about 35-40 years old. A worker of 35-40 years gets about Rs. 35-40 thousand according to his service. He takes voluntary retirement and we become happy that fund is being utilised, we give them voluntary retirement thinking that he will be engaged in other work somewhere. We go by the number of workers who take voluntary retirement, and the expenditure incurred. For this purpose. But my view is that a capable man at the age of 35-40 years takes retirement for a consideration of 35-40 thousand rupees. But today, when there devaluation of money this amount is negligible. He wastes half of the amount in gambling, speculation and wine. Remaining amount is spent on his daughter's marriage and he comes on the roads again as he does not get any job.

I am saying so because just now, the hon. Member Shri Ram Naik mentioned that the big mills are being closed down in his area and small units are being proposed to be set up there. Small units are being set up even in a city like Indore, this is true. However, they have developed a mentality not to employ the workers of closing down textile mills in these units. Therefore, they are rendered unemployed. The worker and his family have to starve. Such is the prevailing situation. We have never paid any attention about the factors responsible for the closure of these mills.

Proposals for modernisation are given, but no efforts have been made in this regard. No money has been allocated. That is why there has been deficit of working capital in the NTC mills. When the Government nationalised these mills, it was because private industrialists were unable to run them smoothly. However, after nationalisation working capital was essential to be given, but it was not given. It is not being allocated even at present. Thus, the production in these mills declined and prices increased gradually and finally these mills had to be closed. These were the underlying factors of the closure of these mills and nothing was done to prevent the situation. Renewal fund was required, modernisation was essential, but nothing was done. Today, we talk about taking the nation towards 21st century and introducing computer in every field. But what can be expected if the same age old technology remain there in our textile mills.

There is a mill in my area. The covers of the boilers installed there cannot be opened. Therefore the machines cannot be used. After the machines are bought, it is realised that they are of no use such bureaucracy is working in NTC. But there is no curtailment in their salaries, car

[Smt. Sumitra Mahajan]

facility and A.C. facility. It is the worker who is the sufferer. He finds it difficult to make his both ends meet.

My only submission is that when we talk about modernisation, we should make efforts in this direction. A secretary level committee was constituted. We had a package of Rs. 2005/- crores. However, no money is being invested in this regard at present. The manner in which devaluation of rupees is going on, the amount would reach Rs. 3000/- crores. This aspect has also been assessed. It was said that the land should be sold and the money be utilized for the purpose of modernisation, though this is also a disputed matter. In Madhya Pradesh also there is a dispute regarding the ownership of land. The Central Government has right over the mill and the profit earned by it as well as the revenue, but the owner of the land is the State Government. The matter regarding the sale of land has already been mentioned by Shri Ram Naik and I would not like to repeat the same. However, the secretary level committee observed that the mills were not in the condition to be run. At the same time our committees like those in Atria, Bitla, Sitna etc. conducted research in this regard and considered them worthy to be run. It is necessary to look into this aspect that why two opinions are formed, what are the reasons for it?

In Madhya Pradesh, the situation was so that though the mills were in the condition to be run, yet they were required to fulfil only their liability. Either it should be waived off or it should be postponed for at least ten years. Similarly, electricity is not available there. If the payment of electricity bill can be delayed, then the problem can be solved. Therefore, these mills cannot be started without taking such decision. After all, this problem is related to human beings, to the workers who are no less important.

16.00 hrs.

If fifty lakh people face problems, the whole society is engripped into it. When people face problems, they find different ways for the solution. Problems spoil the entire atmosphere of the society. Therefore several concrete measures are essential to be taken with a sympathetic approach to solve the problem. It won't do by just implementing a scheme, allocating some funds and proposing modernisation. Some concrete steps should be taken. If something is done in this direction, then only they would get their rights. If they do not get their right, these fifty lakh people would certainly do something somewhere in the society. The solution to the problem should be found keeping these factors in view.

With these words, I conclude.

SHRI RAM BAHADUR SINGH (MAHARAJGANJ): Mr. Chairman, Sir, the crisis in textile industry is being discussed in the House since yesterday the hon. Members have already highlighted the problems in detail, which I would not like to repeat. However, I would like to submit one thing that the matter regarding handloom industry and powerloom industry has not been discussed as seriously

as required during the discussion going on since yesterday.

Sir, it is well known that these industries contribute a lot in fulfilling the requirement of cloth in the country. Crores of people, not lakhs are engaged in these industries, who somehow manage to make their both ends meet. It may be mentioned that this industry require least capital and employ more number of people. Therefore, I would urge upon the Government to think seriously over it. I do feel regretted that these industries have been left incomplete.

Sir, now I would like to draw your attention to my own constituency.

SHRI JAGAT VIR SINGH DRONA: Sir, a serious matter is being discussed in the House. The hon. Minister of Communications is present here, we are grateful to him. It is the joint responsibility of the textile Ministry and Finance Ministry, but neither of the two Minister is present ...*(Interruptions)*

THE MINISTER OF COMMUNICATIONS (SHRI BENI PRASAD VARMA): I am present and noting down the points...*(Interruptions)*

SHRI JAGAT VIR SINGH DRONA: The hon. Minister of Communications, Shri Verma Ji, we are grateful to you...*(Interruptions)*

[English]

SHRI SONTOSH MOHAN DEV (SILCHAR): Sir, the Minister of Textile is having a meeting with the hon. Speaker and Members.

MR. CHAIRMAN: The Minister of Textiles has sought the permission of the Chair.

(Interruptions)

SHRI JAGAT VIR SINGH DRONA: But he has left the Finance Minister here. He too has gone without seeking any permission...*(Interruptions)*

MR. CHAIRMAN: Anyway, some Member of the Council of Minister is here.

SHRI JAGAT VIR SINGH DRONA: Sir, either the Textiles Minister, the Finance Minister, the Agriculture Minister, the Minister of Petroleum and Natural Gas or the Minister of Heavy Industries, should be here. ...*(Interruptions)*

[Translation]

MR. CHAIRMAN: Please listen to me for a minute. The Minister of Textiles has left with the permission of the Chairman. Some other Ministers are there, and we would tell about the Minister of Finance.

(Interruptions)

SHRI JAGAT VIR SINGH DRONA: If you are satisfied, then it is alright...*(Interruptions)*

MR. CHAIRMAN: Let him speak. It is our duty to listen to him.

(Interruptions)

VAIDYA DAU DAYAL JOSHI: Treasury benches are all empty. Whether they have boycotted? ... (Interruptions)

MR. CHAIRMAN: Joshi Ji, we have to listen to him also. It is our and your duty to listen to his problem. Shri Ram Bahadur Singh Ji, please speak.

SHRI RAM BAHADUR SINGH: Sir, through you, I would like to draw the attention of the Government towards my Parliamentary constituency. There was a time when network of Handloom industry was spread in Maharajganj and Siwan district of Bihar. Cotton clothes from there were supplied to the various parts of the country. Two things of Maharajganj—the bed sheet and quilt were very famous all over the country. But that industry has been lying closed. Lakhs of people have been left to starve to death due to the closure of that industry. Similarly, cotton of five hundred number is spinned with hands ever today in Methilanchal area of Madhubani. Bhawra area of Mithilanchal supply 'dhoties' to various parts of the country. The sarees, dhoties; bed sheets or other cotton clothes manufactured in Madhubani are far superior than those of South, specially the quality of 'Kokta' cloth manufactured in Madhubani is not manufactured in any other part of India. Similarly, the silk of Bhagalpur, Bihar, is popular not only throughout the Country but throughout the world. Yesterday, Pathakji said that earlier India had recognition in every field, including the field of textile. In his deliberation he also referred to 'Malmal' of Dhaka, but now it is only a story. Similarly, the silk of Bhagalpur has become a story. It seems, the Government is not concerned about it, rather it is indifferent. I would give an example to support it. A few days back I had gone to Khadi Bhandar. When I asked about the discount on the cloth, I was said that the discount period was over by the order of the Government. I was informed that crores of rupees in discount given by the Khadi Bhandars throughout the country was pending with different State Governments. The country where the name of Gandhiji is pronounced everyday and which is celebrating its 50th anniversary has neglected Khadi industry, Small and medium industries. This is surprising. These are the industries through which we can ensure the progress of the country and can provide employment to the people. Now it has been accepted worldwide that larger employment opportunities can be created by small investment in small industries. But it seems that our Government is not ready to accept it.

Sir, through you I would like to request the Government that it should make a national policy in which such industries should not be neglected. And through that policy, some action plan should be developed so that the crisis before the workers, and the people working in textile industry may be dispelled.

Sir, through you I would like to make a submission

in the end. The hon. Minister is not present, but I would request the Person who is taking notes on his behalf that he must convey my contention to the hon. Minister. The hon. Minister is not at all concerned about the problem of Bihar. He thinks that Bihar is not the part of this country ... (Interruptions)

VAIDYA DAU DAYAL JOSHI: He is not taking notes, he is talking.

SHRI RAM BAHADUR SINGH: Sir, I would like to make a passing reference about the attitude prevailing in the Textile Ministry.

There are some sugar mills which are run by the textile Ministry. Incidentally, there is one Madhora Sugar Mill which fall under my district Saran. There no information was given to farmers that the said mill would be closed. Sugar cane worth crores of rupees of farmers are still standing in fields. Management of the mill has said that the Mill would be closed unless 50 to 60 crore rupees is provided to the Mill. The local M.P. Shri Rajiv Pratap Rudy and myself requested the Agriculture Minister in this regard. We also requested the textile Minister (Shri Jalappa) who said that he is also a son of the farmer and that he also wants to serve the interest of the farmers, but there is no money, so he was unable to provide financial help. I said that it would not be in the interest of farmers. Lakhs of farmers are engaged in the farming of sugar cane. They will be pushed in a pathetic situation. They, however, did not heed to our request, I would give thanks to the then Prime Minister Deve Gowda Ji whose intervention in the matter helped the management to get money and subsequently the Mill was started. I have referred to it only to show the attitude towards Bihar owing to which the State may have to suffer a lot. Please change this attitude. Bihar does also figure in the map of India. I want to say that efforts should be made to promote the textile industry.

SHRI JAGAT VIR SINGH DRONA: Mr. Chairman, Sir, we all are obliged to the hon. Speaker who has enabled to have a discussion on textile industry under rule 193. Sanat Mehta Ji has initiated the discussion which is a matter of happiness but there is also an element of suspicion. The Government has taken this matter very seriously. The hon. Minister of Textile, Finance and Agriculture are participating in discussion on matters relating to the department of Heavy Engineering, and issues related to heavy industry, Petroleum, Petroleum and chemicals. The textile Minister has just a desire and nothing else to do anything. Whenever the matter relating to the wages of the workers of the N.T.C. Mill is raised, he expresses his helplessness. He says that the Finance Minister has withheld money. Anything can be done only after money is released from there. If you contact any official of the Textile Ministry or the Finance Ministry, you get a similar reply that the budget allocation is over and that money can be released only after the matter is taken up with the cabinet. Last time, there was no payment of salary for three months, and even now payment of salary is not being made.

[*Sri Jagat Vir Singh Drona*]

It would not be an exaggeration to say that about one percent of the total population of the country is directly or indirectly related to the textile industry. Out of total 1457 textile Mills, 188 mills are in the Government sector, 145 in the Co-operative sector and 1142 in the private sector. There are 120 Mills under N.T.C. wherein 1 lakh 10 thousand workers are engaged. If you take an average of five persons in a family, their number comes to five and a half lakh. 10 lakh 43 thousand employees and workers are connected with the textile industry. In this way their estimated number is 52 lakh. There are several ancillary units to cater the needs of these mills. Workers are also engaged in those units.

Moreover, the cotton growers are also effected. Even after the poor financial condition of the textile industry, it has ensured 1/3 or 33 percent export of total exports and has enabled the country to earn foreign exchange. It contributes 20 percent share of the gross domestic product. The contribution of the affected persons in the economic growth of the nation is not less. Their neglect for so many years is a matter of concern. Even to day the Government is not taking due and serious steps. Everytime it is said that there is a paucity of resources. Mr. Chairman, Sir, in the present session the Textile Minister gave a very clear reply that there was a modernisation plan of rupees 2005.72 Crore. As per the scheme the additional land and building had to be sold and the money earned through that had to be utilised for revitalisation and modernisation of units. Jalappa Ji had very clearly replied that the said scheme was not going to be implemented. The former Textile Minister Venkatswami Ji had brought about this scheme. He was aware of the problems of workers. He had worked among them. He knew the crisis being faced by the workers.

I represent Kanpur. There are five N.T.C. Mills in Kanpur. 'Kanpur Textile and Elgin' comes under B.I.C. All these Mills are sick. Both Elgin and Kanpur Textile Mills of B.I.C. are under the consideration of A.A.I.F.R. A total of 15 textile Mills of Uttar Pradesh have been referred to B.I.F.R. 278 Mills of the country are presently under the consideration of B.I.F.R. I had pointed it even earlier. This issue has been raised several times. 92 thousand persons are getting employment in Kanpur in those units. Kanpur was known as the Manchester of Northern India. The chimnies of the Mills kept on emitting smoke, which the people of Kanpur were accustomed. Today, no Mill is emitting smoke. People weep. Workers are not provided with raw material and the management work has been given to the inefficient, inexperienced persons and to the persons lacking foresight all due to the paucity of working capital. This pitiable condition of the people can be attributed to political reasons. Workers are not at all responsible for this the Government should provide raw material and working capital to the workers. They will run the mills and contribute in production. These are the workers who earlier enjoyed good health. It was a pleasure to see them. Their faces were beaming. Their health is

deteriorating now since they have to work in adverse condition and with unmodernised machines. Even they have gave their contribution in running the Mills. They are even now interested in it.

Even after being on the ruling side we are not able to provide resources, we are not able to provide working capital. We are not able to purchase raw-material to them. We are paying them salaries though with a delay of three-four months, without taking any work. But whether it is in our national interest? Whether it is in the interest of workers? Workers will develop a habit of taking salary without doing any work. It is the point where Government should awake and should worry about it. This is my request because I am putting constructive suggestions. There are many worker's organisation there. So far as Government is fully responsible for the situation, workers organisations should also bring changes in their approach. We should not mix contemplation with party politics and politics for vote.

In an industry, whether it is Government or cooperative or private, if production is stopped no industry can run and with the help of Government it can not be... (*Interruptions*) Our country needs a comprehensive textile policy but it is difficult too. As I had expressed my dissent, Textile Minister and Finance Minister were not present here, Finance Ministry, Textile Ministry, Agriculture Ministry, Department of Petroleum and Chemicals, Department of Heavy industries, all these are concerned with this issue somehow or the other. But for this we will have to come with a comprehensive Textile policy before the country. But so far as your management is concerned, it will not yield any result. I know that the present Textile Minister has no special rights and resources, but inspite of that it is his responsibility and for this he is responsible to the nation. I would like to give an example regarding the functioning of management. Head-quarter of British India council is situated at Kanpur but it has no C.M.D. There is only one director (Finance) there. A lady joint secretary of Textile Ministry has taken the additional charge of C.M.D. She has her limitations. Government is not making any substantial efforts for the revival of these mills. Why these mills are sick? They did not become sick overnight. These mills required modernisation which was not done. Old machines are not able to meet the requirement of the present competitive era. Secondly, powerloom has developed in our country. Powerloom is cost effective and it has posed a stiff competition. Government had given working capital, and offer nationalisation it was its duty but it failed to deliver the goods on account of insufficient quantity and delayed schedule of work. It failed to make raw material available. Any Technocrat should be appointed for administration. By appointing politicians, they allowed ruination of mills and damaged future prospects of workers.

Mr. Chairman Sir, I am very much pained to see the plight of labourers who were retrenched. You are paying salary to the workers of N.T.C. mills but there are such private mills, one of them is J.K. Cotton Mill, whose workers are forced to send their children to prostitution in order

to make both ends meet. Workers who are supposed to work for the development of industries in the country, but they are compelled to send their children to prostitution. It is a matter of great shame which makes eyes well up. You will have to consider to remove the defects in controlling such a pathetic situation.

Mr. Chairman Sir, B.I.F.R. has been constituted. How to close mills for a political reasons is decided by B.I.F.R. on the pretext of ruling party. Not a single mill has been revived. Even their viable plans will make no difference, you have launched a Textile Worker's rehabilitation funds scheme. You pay during three years; 75 percent in the first year, 50 percent in the second year and 25 percent in the third year as salary under this scheme but what will be its solution? It only provides temporary help and it will not make good for their future. You have paid them money. Under V.R.S. you gave them money and sent them back their homes. V.R.S. is conditional. Will you lift terms and conditions imposed on V.R.S. Government has made no creative efforts so that one may establish his own enterprise by taking training and investing money in it. It is correct that 40 thousand people took away their money under the scheme but they are facing hardships. As shrimati Sumitra Mahajan stated earlier that they spent their whole money in daughters marriage and have become penniless. There are some faults on the part of workers also. They drink and indulge in gambling. What is happening today? A worker plays playing cards because he does not have any work inside the mill premises. And when he does not play cards simply he puts his salary on stake in playing cards. Gross injustice is being done towards our country. The working culture of our country is being destroyed by way of gambling. It is required to put a check on it.

[English]

MR. CHAIRMAN: Please conclude now.

SHRI JAGAT VIR SINGH DRONA: I am just concluding. There is ample time.

[Translation]

Mr. Chairman: Sir, you was also a member of 10th Lok Sabha and the then Textile Minister Shri G. Venkateswamy had arranged Rs. 2005.72 crores under Turn Around policy. 2349 crore rupees can be recovered from our mills at Mumbai only. But no one can give you guaranty there. As honourable Sarpotdar Ji had stated as to why Maharashtra Government is not allowing it. Central Government should assure Maharashtra Government very clearly that the money being provided by you will meant for safeguarding worker's interest. Their salary will be paid on time. Mills will be run continuously. Arrangements will be made for working capital, to run the mills, for purchasing raw-materials, and modernisation. He will bear me out. Only seven or eight days ago you told that you are not going to implement this scheme, you cannot implement this scheme. There are many big mills at Kanpur. If you take it at local level, if you take to State Governments,

municipalities, and assure them that the money will be utilised in national interest, it will not be wasted, then certainly they will cooperate with you. There is no need of a bungalow with a five acre campus for an ordinary officer. In Kanpur, situation is very peculiar. A officer is residing in five acre campus bungalow there, these bungalows were built in the British period whereas in Mumbai an engineer-in-chief of Western Railway may live in a small flat of a multistoreyed building.

SHRI RAM NAIK: Sir, I use to live in a two room flat.

SHRI JAGAT VIR SINGH DRONA: You live in a one and half room flat, don't say it two room flat. I have visited your flat. My request is that you should consider it seriously and use the land, in which bungalows are built presently, for construction of multistoreyed buildings and thus solve the problem. The case of Kanpur is more serious, Government has occupied your land and bungalows. I.G., D.I.G., S.S.P., S.P. and many administrative officers of Kanpur have occupied your bungalows, and are using it as their office and residence. All these things are going out of your control and are also not being maintained properly.

At last I would like to say in short that in present circumstances, one percent of population of workers and their families is related with this section. These mills contribute about 33 percent to the nation's export. Their contribution to our G.D.P. is 20 percent and most important thing is that these workers are contributing in nation building, they spent their whole life to increase production of the nation while working in these mills, their interests should be protected and Government should put forward such proposals so that these mills can be run continuously without paucity of funds after modernisation. With these words I conclude.

[English]

MR. CHAIRMAN: Mr. Minister, please reply.

SHRI SURESH PRABHU (RAJAPUR): Sir, I have given my name. I am waiting to speak. My name is there.

MR. CHAIRMAN: Now, the hon. Minister has to reply.

SHRI R.L. JALAPPA: Sir, I am really gratified and I am grateful to you and to the hon. Members for having expressed their concern about the textile industry in general and about the workmen in particular. While speaking, Shri Sanat Mehta was mentioning about the Modernisation Fund. I would like to say that in the Seventh Plan, Rs. 750 crore was set apart for modernisation.

16.29 hrs

SHRI SURESH PRABHU: May I point out, Sir, that there is no quorum in the House?

SHRI R.L. JALAPPA: He is creating mischief.

SHRI SURESH PRABHU: I have made a request for making a speech. I cannot speak whereas many other Members could speak. If I cannot speak, let us have the rules. Give a ruling, please.

SHRI R.L. JALAPPA: I request you to allow me to speak.

MR. CHAIRMAN: The bell is being rung. Now, there is a quorum. The hon. Minister Shri R.L. Jalappa may continue.

SHRI R.L. JALAPPA: Mr. Chairman, Sir, I, am really gratified and I am thankful to the hon. Members for their concern about the textile industry, in general and their concern about the employees, in particular.

A reference was made by Shri Sanat Mehta about the Modernisation Fund. In the Seventh Plan, a fund of Rs. 750 crore was created and I am given to understand that about Rs. 1,200 crore was spent in the Seventh Plan on Modernisation. But in the Eighth Plan, this Fund was not provided.

I went around some of the important States where these textile industries are situated. When I interacted with the management and the labourers there, I came to know that in order to compete in the global competition after three or four years—probably that competition starts from this year—we should equip ourselves with the latest technology. So, I requested the Planning Commission to provide this Technology Modernization Fund and I should be thankful to the hon. Finance Minister for having accepted my suggestion. During the Budget Speech, the hon. Finance Minister also mentioned that a Technology Modernisation Fund was going to be created.

AN HON. MEMBER: And, he did not provide that Fund.

SHRI R.L. JALAPPA: Now, as you have all approved the Budget, he will provide this Fund.

Sir, I know the problems that are going to be faced by these employees whenever a mill becomes sick. This sickness is due to so many reasons. I need not dwell upon the reasons of the sickness. But 301 units stand referred to the BIFR before 31.03.1997. The number of closed mills is 207 out of which 38 mills are closed under liquidation.

The other mills are temporarily closed on account of financial difficulties or lack of trade and other things. The main reason for sickness in the textile mills could be attributed to structural transformation as a result of which composite units in the organised sectors are losing ground to powerloom.

The hon. Member was mentioning about Manchester—that Ahmedabad was the Manchester of India. Even now it is the Manchester of India because there is no textiles industry in Manchester! I am sorry, it is only in a lighter vein that I have said it. This sickness has not developed during these ten months or one year. This is hereditary. I have inherited this legacy. I am not responsible for the sickness. The Government is also trying to see that by providing technology fund for modernisation those mills at least which are limping now could be revived and employment provided to the people. The Government is not referring them to BIFR. Whenever a company loses beyond

its Share capital, automatically it is referred to the BIFR. So, we have nothing to do with the BIFR. We are not referring them to the BIFR. As far as NTC mills are concerned, yes, we have referred them to the BIFR. But as far as private mills are concerned, we are not referring them to the BIFR. The BIFR is taking its own decision and we cannot influence those decisions also.

About TWRF, that is, Textile Workers' Rehabilitation Fund, a total of Rs. 84.61 crore has been paid to 42461 workers from 28 mills during the last year. This year we have provided Rs. 10.21 crore in the Budget for paying to the Textile Workers' Rehabilitation Fund. The fact that around three hundred textile units are before the BIFR is no doubt a matter of concern for us. We are alive to this fact. We are also taking measures to strengthen the textiles industry. However, I would like to urge upon the hon. Members not to lose sight of the textiles sector in its entire perspective.

To describe the entire textiles industry as sick is not correct. The spinning sector in particular has shown vibrancy and growth over the years. It is not a sunset industry as was mentioned by hon. Member Shri Sanat Mehta.

The annual investment in textiles machinery increased from Rs. 2100 crore in 1993-94 to Rs. 3400 crore in 1995-96. To illustrate it, in 1980 there were 400 spinning mills and 291 composite mills. In 1990 there were 770 spinning mills and 281 composite mills. In 1996 there are 1310 spinning mills and 275 composite mills. I do agree that the number of composite mills is coming down gradually.

Why is it so? It is because we have got about 1.7 million powerlooms in the unorganised sector which are competing with the organised sector. They have got some facilities. Their investment is less. Sometimes, they do not pay taxes and they have a different system of billing for electricity. They pay labour charges at a rate lesser than that of the organised sector. So, these mills in the organised sector are not in a position to withstand the competition from powerlooms.

The hon. Member was mentioning about yarn. I am really happy to bring to the notice of this hon. House that the production of yarn during 1991-92 which was 18.06 lakh tonnes increased to 23.79 lakh tonnes in 1995-96. I would like to mention here that for the last two years we have been exporting our yarn to Japan. Japan is one of the very good markets for us now. During the last year 80 million kg. were allowed to be exported. When they came to me for enhancing the quota, I thought that it was fit to enhance the quota because instead of exporting cotton, we could export the yarn so that value added material could be exported and we can earn more foreign exchange. I enhanced it by another 30 million kg. last year. This year, I have given them 120 million kg. In addition to that, when they came to me saying that they do require some more quota for six months, I have given them 20 million kg. more. Our performance in this sector is that we have exported 58 per cent more than what we exported

during the last year, 1994-95. This is an achievement and we should thank the millers for having achieved such a spectacular progress.

The total production of cloth has shown an increase from 22,588 million sq. metres in 1991-92 to 28,631 million sq. metres in 1995-96. Of course, for the reasons I mentioned earlier, the production in the mills in the organised sector has come down. In 1991-92, the mill sector produced 11 per cent of the cloth produced in the country. Today, it amounts to six per cent. It has come down.

Shri Sanat Mehta was mentioning that the industry was neither better nor has gone bad. I would say, 'No'. The industry is thriving well. I have already informed the House about the investment made during the last two years. In the last five years, 600 mills have been established. Our production is twenty per cent. We have maintained that twenty per cent. The export of textiles has gone up to Rs. 35,000 crore. We are not lagging behind.

Of course, I have already explained myself to you about the competition that is being faced by this organised sector. Textile industry means not only these mills, but it also means handlooms, powerlooms, even *khadi* weaving which includes all these things. If we take the overall performance, I am glad to say that we are not lagging behind in spite of 301 mills being sick.

I would like to touch upon the proposal for area regeneration of closed textile mills of Ahmedabad about which a mention was made by Shri Sanat Mehta and Shri Harin Pathak. That is dealt with by the Industries Department. When it came to us, our Ministry has recommended that this should be considered. NRF amount is not meant for private mills or cooperative mills or State mills. It is only for the NTC mills. i.e., Central PSUS.

A point was raised about the wages also—that wages are not being paid. It is true that there was some problem in the months of November-December last year. When this was brought to the notice of the hon. Finance Minister, he immediately considered and released wages for two months. Of course, wages for January were also paid. The wages for February are also being released, which is Rs. 27 crore. We are going to pay them the rest of the money within a month or two.

SHRI NIRMAL KANTI CHATTERJEE (DUMDUM): There will be backlog of two months then.

SHRI R.L. JALAPPA: No. We are paying them that also. How can you pay wages for the next month, without clearing the previous months' wages? We will first clear the previous months' wages. It may take some time; it may not be possible to give them on time. It may take one or two months. I request the employees to cooperate with me.

SHRI NIRMAL KANTI CHATTERJEE: The problem is that if you pay a particular month's wages after two months, by that time, another two months' wages would become

due. So, every month, you have to pay at least the wages for more than one month so that the backlog is cleared. That has to be done.

SHRI R.L. JALAPPA: We are trying our best.

SHRI NIRMAL KANTI CHATTERJEE: You seek the cooperation of the person whom you thanked !

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): Both of them are right and I am only wrong !

SHRI R.L. JALAPPA: Shri Thorat was expressing concern about the high price of cotton which is varying year to year. This depends on demand and supply. When the supply is more and the demand is less, the price would come down. Nobody wants to purchase and stock it because the interest charges are more. One has to pay interest at the rate of 18 per cent. There would be another two per cent by way of other charges. So, it would become 20 per cent. So, nobody wants to hoard it for months together.

I caught hold of mill owners and asked them: I have given you so much of yarn to be exported, what is the matter? Why are you not purchasing? They told me that they have to pay 18 per cent interest and that they would purchase as and when they want. Now, the prices have firmed up and it is a few rupees more than what it was existing during the corresponding period of last year.

He had spoken about the hank-yarn also. A survey has been conducted about the handloom availability in the country; we have received the survey reports of all but two or three States. We will find out as to how many of them are silk woven and how many of them are using cotton. We will assess the requirement; and if necessary, we may try to change this hank-yarn obligation or reservation. Here, I want to bring to your notice that the quality of cotton that is being produced in our country is going down day by day. The production also is going down day by day. The quality is not good and the production per hectare is also going down.

When we compare our figures with those of the advanced countries, approximately, we find that one-third is our production. So, I discussed with my officers and I went to the hon. Vice-Chairman of the Planning Commission. I requested him to permit us to have Cotton Technology Mission on the lines of the Oil Technology Mission. I should be grateful to him that he has conceded and the Ministry of Agriculture is at it. I hope it will come up within a month or two. I have taken these decisions *suo motu*. I went to the Deputy-Chairman of the Planning Commission, Prof. Madhu Dandavate and brought to his notice about the necessity of the Technology Modernisation Fund and Cotton Technology Mission. I have also requested him for these to which he has conceded.

Shri Narayana Swamy, in my absence, had spoken about silk. We are now importing some quantity of silk through advanced licensing system so that they could

[Shri R.L. Jalappa]

export the manufactured goods. But as far as our indigenous silk is concerned, it is not being exported in a big quantity because it suffers from some deficiencies. For internal purposes, it is very good silk. That lustre is not there in any other silk. It is not there in imported silk. But imported silk is very easy for weaving. They use warp and weft and the breakages will be more here. So, when I went to the laboratories and other places, I thought that we could improve the reeling system. I went with a proposal to the Planning Commission. They have agreed to give us the weaving machines, subsidising to the extent of 30 per cent—15 per cent from the Government of India and 15 per cent from the State Governments—and the remaining money has to be repaid in ten instalments without any interest. I hope, necessary orders will be issued within a short time. This is going to improve our silk production. We also want to see that quality silk is also produced. I have spoken about this to the officials of the Central Silk Board and I am inviting the research workers in the field.

In addition to that, we are getting very good profits from the CCI. I thought I could plough back something to the growers who are responsible for this profit. So, I have already given instructions to them that in all the APMCs, wherever we are getting huge quantity of silk, large sheds must be provided to them for the convenience of the farmers so that this contamination can be prevented to a larger extent. I have also given instructions that the Universities of Agricultural Science shall be provided with more money for research and development work. I am going to invite the Vice-Chancellors and technicians of Universities of Agricultural Science. I will have a discussion and provide as much money as they want. In addition to about 38 villages taken for adoption under the CCI, I have instructed them to adopt 100 villages. This is what we are doing to develop good variety of cotton and to see that their productivity goes up.

17.00 hrs.

In order to see that the farmers get better prices for their cotton we did allow the export of 10 lakh bales before December. Previously only two lakh bales were allowed to be exported. I thought that the benefit should go to the farmers. Whenever cotton is available with the farmer, he would be benefited if its export is allowed. So, I allowed 10 lakh bales of cotton to be exported before December. I am sorry to say that much of the cotton could not be exported because of non-remunerative prices in the international market. In 1994-95 it was one dollar per pound of cotton. In 1995-96, it was 86-88 cents and now it is 72-74 cents. That is why the exports have not gone as per our expectations.

I can assure the House that the Ministry will not lag behind in protecting the industry.

SHRI RAM NAIK: Have you done anything for the State of Maharashtra?

SHRI R.L. JALAPPA: I have also allowed them to

export one lakh bales. In addition to this, you should be thankful to me on behalf of your Government, I have allowed all the backlog of last year to be exported this year till February.

SHRI RAM NAIK: That is why I am reminding you.

SHRI R.L. JALAPPA: I have done it. Shri Sarpotdar mentioned a number of things. He is not present in the House.

SHRI P.CHIDAMBARAM: What is the performance of the State of Maharashtra?

SHRI R.L. JALAPPA: Last year they could not export the full quota but this year they have shown some good performance. Now, even without exporting they are getting plenty of money because there is no cotton available in the market. Everybody is going to Mumbai for its purchase.

The per capita availability of cloth has increased from 21 sq.m. to 27 sq.m. He was asking as to why these mills have become sick. This is an elementary question which should be put to those people. He was also mentioning about taking juice out of sugarcane and throwing it away. Juice was taken away by those people who were running these mills previously. I am now putting the remaining sugarcane under the shade and sprinkling water so that it does not get dry. To that extent I am protecting the interest of the labourers.

We know the problems of workers. The strength of the workers has not come down. If a person does not get a job here, he may get it in other industries. In our own textile industry since 1980 the number of powerlooms has doubled. Previously, there used to be 8.6 Lakh powerlooms in the country which have now risen to 17 lakhs and about 68 lakh workers are employed in these powerlooms. So, if an overall perception is taken, people are getting jobs—urban people might not have got jobs but villagers are getting jobs out of these powerlooms.

As far as NTC is concerned, it is suffering from cancer—cancer not of first stage but of third stage. It needs to be operated upon. When operating, the patient may also die. There is no other way. Let me be plain.

A turn-around plan was formulated in 1992 which could not take off because of want of money. No bank came forward to give money trusting the NTC. In 1994, a tripartite agreement was entered into after a lot of deliberations by that Committee for entering into an agreement. According to that agreement, there has to be no closure and no termination. The cost of this modernisation is Rs. 2005 crore and that has to be got only by selling the properties, the excess land of these mills. You will be surprised to note that out of these Rs. 2005 crore, Rs. 1946 crore is to come from Maharashtra, specially from Mumbai. We have tried our best in this. That Government may be having some problems also. Again we are going to meet them. Today the hon. Speaker has constituted a Committee of five people so that they could go and discuss with the Chief Minister. Shri Ram Naik and his friends have assured me

that they will give me their fullest cooperation.

There are two ingredients in that turn-around scheme. One is, getting money from the sale of land, which was not forthcoming. The other is, getting the approval of the BIFR. In the case of four subsidiaries, BIFR has issued Show Cause Notices for winding up.

[Translation]

SHRI RAMENDRA KUMAR (BEGUSARA): The issue was regarding writing off loan and interest.

SHRI R.L. JALAPPA: The issue was regarding writing of interest and we have also taken steps in this regard.

[English]

In spite of that, because they do not acquire positive net worth even after eight or ten years of revival, they have taken a decision that they are not viable for modernising.

I have a small question to be posed before you in this august House. My predecessor was there for nearly three years in the office. The turn-around policy was approved by the Committee on 9.4.94 and it had taken one year for him to get it approved by the Cabinet. That was approved on 9.5.95. Even after that, my distinguished predecessor was in the office, except for a brief period, for the rest of his term. I do not know why he could not do it ! I can understand his problems. Because he could not get the money he could not do it. The Show Cause Notices were issued during his time, not during my time. I am not at all answerable for it. I am answering you for somebody's acts, I cannot say faults.

Hon. Member Shri Sanat Mehta was saying that this is a calamity. Yes, it is a calamity. I agree with him. But it is not of my time. This is a calamity that I have inherited. Unfortunately I have inherited this calamity. After the agreement was approved by the Committee on 9.4.94 my predecessor had taken about one year and one month to get it approved. I think on 20.4.94 the Note came to the Cabinet and it was approved on 9.5.95. Even after that, that Minister was there for one year. They could not do anything. Now I do not think there is any reason or rhyme in blaming me as if I am responsible for all this muddle.

[Translation]

SHRI RAMENDRA KUMAR: Whether this Government would also not do it because it was not done by the previous Government.

[English]

SHRI R.L. JALAPPA: I am doing it. I am sincere. I am honest. I have also told in the meeting that if nothing is going to be done within two months, I will put in my papers. I will get out. It is very difficult for me. Why should I undergo this torture? I cannot understand. I have to go away as if I am thief. I do not want to face now ... (Interruptions)

SHRI SONTOSH MOHAN DEV: This is not proper. ... (Interruptions)

SHRI R.L. JALAPPA: No, Sir.

There are only two issues that are going to be discussed here. One is Bihar and the other is NTC.

SHRI P. CHIDAMBARAM: A Committee is going into it now.

SHRI R.L. JALAPPA: Yes.

Regarding other things like Elgin mills and the Kanpur mills which my friends was mentioning, the BIFR has already given winding up orders. The Cabinet has agreed to wind up.

We must be thankful to our present Prime Minister and also to the Minister of Finance that they have agreed to—though it is closed—give VRS to all the people, including *badlis*.

Regarding Ajudhia mills, with the orders of the Supreme Court, we had to close down. We have agreed to pay them six years' salary. For those 100 people, though they are going to retire within six years, we are paying six years salary. This is the magnanimous decision the hon. Prime Minister has taken.

In the National Jute Mills Corporation, we have six mills. You know the strength of the mills—permanent *badli* and *asli badli*. I do not know. I cannot understand what is and *asli badli* and *naqli badli*. They are 36,000. They are taking 90 man days for producing one tonne of jute, whereas in other mills, they are taking 35 to 40 man days to produce one tonne of jute. This is also the legacy I have inherited from the previous regime. They could also not do anything. Now, a turnaround plan has been prepared. If we apply strictly whatever applies to these textile mills, all of them are not viable. But we are taking a considered opinion to see that some of the jute mills should be survived so that farmers will get some better remuneration.

In addition to that, to give a boost to this industry, our hon. Prime Minister has waived the excise duty on jute. We are also giving them some encouragement by way of EMA for those diversified articles to be exported. We want to retrench some of the labourers and run some of these mills.

You will be surprised to know that the total strength of the Jute Corporation of India is 2,456. They are doing nothing for the last four years because prices have not come down below MSP. They are being paid regularly Rs. 18 crore every year. I want them to go but they are not going. I do not know what to do. I want to close it. I do not know how to close it. We are just considering it.

17.15 hours

(SHRI BASU DEB ACHARIA *in the Chair*)

[Shri R.L. Jalappa]

The Cotton Corporation of India, whose turnover is nearly Rs. 1000 crore, is getting a net profit of Rs. 35 to Rs. 40 crore every year.

Their strength is 1250 or 1400. It is within 1400. Whereas, the JCI without doing anything have 2450 workers. This is the problem wrought with the JCI. We are at it. We are trying to solve this problem. I would only request you to kindly cooperate with us. I can understand that there are different ideologies. Some people do not want the people to be retrenched. When we are speaking of liberalisation and privatisation, we understand the pressure for revival of the mills. We are, now, selling away some of our shares so that they become viable and the headache of the Government is also reduced day by day. In this context whatever action we take, that will be in the interests of the labourers. We will never forget the labourers. This is my assurance. Even if the VRS is to be given, we will give a sumptuous VRS. We will request them to find out some other avocation. Or else if you insist on the previous scheme to be formulated, then that is a separate matter. I do not know how far my friend will allow us to stay here. We can also spend our time telling cock and bull stories, and go away.

SHRI SONTOSH MOHAN DEV: If you keep Shri Chidambaram happy, we are happy.

SHRI R.L. JALAPPA: So, with these few words, I am once again grateful to all the hon. Members.

SHRI RAM NAIK: You said that you are expecting about Rs. 2500 crore from Mumbai out of that sale.

SHRI R.L. JALAPPA: No, it is Rs. 1946 crore.

SHRI RAM NAIK: Are you not thinking of selling the lands of textile mills of cities other than Mumbai?

SHRI R.L. JALAPPA: Definitely. We are selling other lands also. On a trial basis we had called tenders for two subsidiaries. One is TNP, Tamil Nadu and there is another company APKKM. Though tenders came, but we were not in a position to approve them because they were invited on a trial basis to find out how much we will be able to get. That is why we had called for tenders. Now, we are going in for a global tender. For your information all the subsidiaries went to the court and obtained stay orders. The Revenue Minister of Kerala in a Press statement had said that he had withdrawn the powers of selling the land. He is on record. Then, I wrote to him that he cannot do it. This is the position.

17.24 hrs.

EXPORT-IMPORT BANK OF INDIA (AMENDMENT) BILL*
THE MINISTER OF FINANCE (SHRI P CHIDAMBARAM): I beg to move:**

*Published in the Gazette of India, Extra ordinary, Part II, Section 2, dated 15-5-97

**Moved with the recommendations of the President.

"That the Bill further to amend the Export-Import Bank of India Act, 1981 be taken into consideration."

The Export-Import Bank of India (EXIM Bank), as hon. Members are aware, is a specialised financial institution constituted under the Export-Import Bank of India Act, 1981. It is wholly owned by the Government of India. The charter of the Exim Bank stipulates that it shall provide financial assistance to exporters and importers, and function as the principal financial institution for coordinating the working of institutions engaged in financing export and import of goods and services with a view to promoting the country's international trade and for matters connected therewith or incidental thereto.

The Exim Bank has been assigned a special role in:

firstly, providing medium and long-term export credit to exporters, that is, project exporters as well as exporters of capital goods and other manufactured goods on deferred payment terms;

secondly, providing lines of credit to banks and foreign Government agencies to finance imports of eligible goods and services from the country;

thirdly, providing term loans to export oriented units in the country and equity finance to Indian companies setting up joint ventures of wholly owned subsidiaries abroad; and

fourthly, providing information and advisory services to Indian exporters.

Exim Bank's performance over the last ten years has been very satisfactory. During this period, its loan assets have grown at an annual average of 19 per cent with cumulative sanctions at Rs. 13,743 crore. In 1996-97, the sanctions amounted to Rs. 1242 crore and the disbursements amounted to Rs. 1257 crore. The Bank's operations have been profitable since the first year of its establishment and it has also been paying dividend to the Government every year.

The authorised capital of the Exim Bank, when the Act as it stands today is only Rs. 500 crore. The paid up capital of the Exim Bank was augmented every year out of the budgetary allocation. In the year 1995-96, an amount of Rs. 59.66 crore was released to Exim Bank increasing the paid up capital to Rs. 500 crore, which is equivalent to the authorised capital.

In order to provide Bank an adequate capital base to support its future business growth, to maintain its credit worthiness with international lenders, to enable it to raise external commercial borrowings at competitive rates and to retain adequate resource flows to enable Exim Bank to maintain its flexibility, its authorised capital is proposed to be raised from Rs. 500 crore to Rs. 1000 crore and powers are sought to be given to the Central Government to notify a further increase of capital to raise Rs. 2,000 crore. So, what is being proposed is to raise the authorised capital of Exim Bank from Rs. 500 crore to Rs. 1000 crore and