

agree to nominate three members from Rajya Sabha to associate with the Committee on Public Undertakings of this House for the unexpired portion of the term of the Committee vice-Sarvashri T.R. Balu, Dipen Ghosh and Kamal Morarka resigned from the Committee and do communicate to this House the names of the members so nominated by Rajya Sabha."

The motion was adopted

12.15 hrs.

CALLING ATTENTION TO MATTER OF URGENT PUBLIC IMPORTANCE

[English]

Situation arising out of recent steep hike in price of hank yarn rendering thousands of handloom and powerloom workers jobless

KUMARI MAMATA BANERJEE (Jadavpur): Sir, I call the attention of the Hon. Minister of Textiles to the following matter of urgent public importance and request that he may make a statement thereon:

"The situation arising out of the recent steep hike in the price of hank yarn rendering thousands of handloom and powerloom workers jobless and the steps taken by the Government in that regard."

THE MINISTER OF TEXTILES (SHRI RAM NIWAS MIRJHA): The increasing trend in the prices of hank yarn has been causing us some concern. This is because hank yarn is primarily used by the handloom sector on which depends the livelihood of millions of weavers. The prices of cotton as well as cotton yarn rose steeply as a result of severe drought conditions in 1987-88. As a result, prices of hank yarn in counts of 20s and 40s increased by 42% and 33% be-

tween June '87 and June '88 respectively. It was hoped that the larger crop in 1988-89 would help to stabilise the price trend. However, even in 1988-89, the upward movement has continued although it has been greatly moderated. Between June 1988 and June 1989, the prices of hank yarn in counts of 20s and 40s increased by 6% and 15% respectively. However, from June 1989 onwards, there is a perceptible declining trend and we are hopeful that this would be further accelerated in the coming months as a result of the initiatives taken by the Government in this regard.

2. Hon'ble Members are aware that Government have announced a scheme for opening yarn depots, particularly in yarn deficit States, through the agency of the National Handloom Development Corporation to make available yarn to weavers at mill-gate prices. I have also taken a meeting of the producers of yarn along with representatives of the State Governments and the House would be happy to know that the response of the industry has been positive and constructive and they have assured me that they will do their utmost to see that firstly the hank yarn obligation is fully met and secondly that the prices of hank yarn show a moderating trend. We have also set up a Standing Monitoring Mechanism to continuously review the position of prices and availability of hank yarn so that the Government is able to take remedial steps whenever necessary. This meeting also revealed that there is no overall shortage of hank yarn and there is only occasional mis-match between demand and supply of certain counts in certain pockets which can be effectively remedied by timely intervention by the National Handloom Development Corporation. Some shortages of hank yarn in counts 2/17s and 2/18s in the southern region were on account of severe power cuts on the mills and these have also been substantially relieved on account of the significant improvement in the power availability. We are keeping a very close watch on the situation and, I can assure the House that we shall spare no efforts to ensure that the legitimate interests of handloom weavers are protected.

[Sh. RamNiwas Mirdha]

3. Hon'ble Members have drawn attention to the plight of handloom and powerloom weavers. At the outset, it may be clarified that hank yarn is meant only for handlooms and not for powerlooms. In fact, the Textile Policy of 1985 clearly enunciated the principle that the powerloom sector and the organised sector should be at par as far as incidence of fiscal levies are concerned. The very rationale of giving total exemption from excise duty to hank yarn is to help the handloom sector. It is not the intention of the Government that the powerloom sector should take advantage of these fiscal concessions. We do not feel that powerloom sector deserves the same degree of protection as the handloom sector. In fact, even without Government's intervention, powerloom sector has been growing rapidly, some times at the expense both of the organised sector and the handloom sector. In fact, Government has received a number of representations demanding that curbs may be imposed on the un-restrained growth of this sector. And concessions for the powerloom sector, therefore, have to be considered with great caution as it could lead to erosion of market share of handloom products because of competition from powerlooms.

4. As far as handloom sector is concerned, we are fully conscious of its importance and are committed to preserve its unique role in the textile economy. I would like to assure the House that the Government has an open mind on this issue and would be happy to consider any practical and feasible suggestions for the amelioration of the condition of the handloom weavers.

KUMARI MAMATA BANERJEE: Mr. Deputy-Speaker, Sir, I am grateful to you because you are also very much concerned about this subject. Shri Kumaramangalam, Shri Ramamurthy and Shri Kollandaveilu are all Members of Parliament from Tamil Nadu and they are very much concerned about this subject in particular. The hon. Minister in his own statement has admitted that the

increasing trend in the prices of hank yarn has been causing the Government some concern. This is because hank yarn is primarily used by the handloom sector on which depends the livelihood of millions of weavers. So, the hon. Minister himself has admitted this.

Sir, you know the textile industry is one of the biggest industries of the country which contributes 10 percent of total industrial production and provides jobs to about 12 million workers in all sectors—the mills, powerloom and handloom and is an earning source of about one-fifth of total foreign exchange earnings of the country. The Government has already appointed a new Committee which is now going into the details. But it is a fact that there is a shortage of hank yarn not only in Tamil Nadu but also in other parts of the country. But in Tamil Nadu, the condition is very serious because two-million people are involved in it. That is why you will appreciate that this hank yarn is always developing the small-scale industry, agricultural industry and the rural-based industries in the rural areas. But what is happening now is that the condition of the weavers is deteriorating day by day. The daily earnings of the family range between Rs. 4 and 12/-. There is no Minimum Wages Act applicable to these weavers. They get only Rs. 4 to 12. When the Government has passed the Minimum Wages Act in this Parliament the weavers are getting only Rs. 4 to 12/- as wages. Though the Government has clearly stated that these people will get adequate yarn from the handloom sector, from the mill-owners, they are not getting it.

Sir, there are nearly ten million weavers belonging to the handloom and powerloom sectors in India of which nearly two millions are in Tamil Nadu. Further, they are dependent on hank yarn as their raw-material. Under the new Textile policy, it is mandatory for spinning mills to spin at least 4 per cent of their production as hank yarn. The rest can be cone yarn used by textile mills. In the year 1987, the price of yarn had risen steeply but on the intervention of the Central Government, it was slightly reduced. Today, the

yarn prices have nearly doubled within the period of one year and the scarcity of hank yarn in the market is making it dearer than ever. This has caused nearly a million-and-a-half handloom and powerloom weavers to become unemployed in Tamil Nadu alone. Further, the Super 301 of the USA has caused a tremendous slump in the garment/fabric export market causing a crisis in the textile industry, especially the handloom and powerloom sectors. This situation has arisen essentially because the spinning mills have found cone yarn has a very good price in the Bombay market and the export market, and have therefore stopped manufacturing cone yarn. It is relevant to point out that while yarn prices have been increasing, the price of raw cotton has declined drastically.

The anomalous situation has made it uneconomical to agriculturists and rendered millions of handloom and powerloom weavers unemployed. Rural India would die if immediate steps are not taken by the Central Government. The Central Government has already announced that it will set up some fair price shops through the National Handloom Development Corporation to give yarn to the weavers. But I do not know where are the fair price shops? When the Government has announced that it will set up these fair price shops for the weavers, it should be ensured to the people of this country so that they get adequate yarn from the fair price shops at a subsidised price.

The Union Budget of 1988-89 gave excise duty relief to manufacturers of polyester filament yarn to the tune of Rs. 30 per kilogram. The revenue loss on account of duty reduction was to the tune of Rs. 270 crore alone in case of filament yarn. The total concessions to the textile industry under this Budget were to the tune of Rs. 600 crore. But concessions have not been passed on to consumers and the prices of cloth have continued to go up.

Secondly, despite promises that an adequate quantity of hank yarn would be supplied to handloom weavers at subsidised prices, they continue to suffer from lack of

yarn. Even the obligation on textile mills to produce 50 percent of yarn in hank form is being flouted—the production is hardly 40 percent.

The handloom weavers complain that the prices of yarn are much higher if compared to relative prices of cotton and previous year prices of yarn. This is beyond their capacity to pay such higher prices and due to this they are unable to make their subsistence.

Cotton yarn prices, according to the Government, have registered a steep increase during 1987-88. The percentage increase ranged from 25 to 60 over the prices prevailing during the same period of last year, while the cotton price index went up from 235.4 in March 1987 to 335.8 in March 1988, registering an increase of 42.7 percent only. The price rise for yarn which was 224 percent higher in 1987 as compared to previous year, valued at Rs. 345.40 crores.

If it is serious about protecting the handloom sector, the Government should make hank yarn available to weavers in adequate quantities at subsidised prices and oblige the mills to produce a considerable amount of yarn in hank form for handloom sector. It should put some restriction on the yarn export.

In West Bengal also, there are particular places like Shantipur in Nadia District where one lakh people are involved in this handloom sector and they are also suffering because of the hank yarn. Government should seriously think about this matter. I would like to suggest to you only a few things as my knowledge about Tamil Nadu is poor and Members like Shri Kumaramangalam, Shri Kolandaivelu and Shri Ramamurti know better about the problems of Tamil Nadu. But whatever I know, I just had expressed that to you. I want to suggest two or three things to you.

The Centre should introduce the necessary measures in Parliament to set up Handloom Development Board, keeping in view

[Kumari Mamata Banerjee]

the interest of handloom producers and exporters and the efficient functioning of HEPC.

The Union Government should take steps for vacating the stay orders in the Supreme Court because when Government is willing to do something, mill-owners are asking for stay orders from the Supreme Court, and the result is that weavers suffer a loss. That is why, this is my request to you that the Union Government should take steps for vacating the stay orders in the Supreme Court and enforcing the handloom reservation order besides finding a lasting solution to the problem of made up exports to the U.S. The entire yarn produced by cooperative spinning mills should be earmarked for distribution at reduced prices.

I also would like to request the State Government that the State Government should waive the 2% sales tax and the additional 1% levy on cotton yarn also in the interest of the people.

The spinning mills were previously producing more than 40% of Hank yarn required both for Handloom and Powerloom production. Now, as the spinning mills get very fancy prices for cotton yarn export, most of the mills have substantially stopped the production of Hank yarn. This non production has resulted in acute shortage of Hank yarn meant for export and domestic production of cloth. At the most, export of yarn can earn only a few crores of rupees worth of foreign exchange, while export fabrics earn more than 2000 crores worth of foreign exchange. The export of fabrics also provides employment opportunities to millions of men, women and children of the rural and semi urban population in addition to a large number of people engaged in related industries in the major cities in our country.

I also want to point out that people are asking for ban on the export yarn. Even if there is no complete ban on export of yarn, each mill should be directed to produce at

least 50% of Hank yarn in their total production. The mills should be made to announce in detail - weekly or fortnightly - the quantity of yarn available with each mill in counties, and the quantity released during the period for consumption in the market. Yarn banks should be started in all major weaving and trading centres to supply the required count of yarn off the shelf to avoid delay and hoarding of yarn. The yarn price should be fixed by the Government in consultation with mills and consumers at least for a minimum period of three months. During the period the Government should see that the prices are not raised and maintain stability in prices and supply.

This matter is very serious. I know that the Government is willing to do something for the people, the Government has already allocated Rs. 800 crores for these people; the Government has appointed a Committee also; and the Government has announce to set up the fair-price shop. But some lacuna is there. The implementation is very poor. That is why these people are suffering a lot.

I would request you to please take immediate steps. If there is any possibility, please take up the matter with the State Government also about what the State Government can relax and what the Central Government can relax. Please take this action immediately so that the handloom sector and the powerloom sector can be saved and 12 million people can also be saved.

You know in our country so many big industries are closed, so many industries are sick, maximum number of workers are starving for food. They are on the roads. Nobody is looking after their industries. If you don't look after the industries of the rural areas, the rural people will virtually die. This is the high time the Government took immediate steps.

I am grateful to all the MPs from Tamilnadu and the Hon. Deputy Speaker. They are very much concerned about this. We also as Members of this House want to see that the interests of the weavers are

saved and the Hank yarn is made available to the weavers at subsidised price.

SHRI P.R. KUMARAMANGALAM (Salem): I am grateful that the Hon. Minister has been prompt in his statement and he has come out in time. But I am feeling a little shaken because last time when the Hank yarn prices or the yarn prices shot up the Hon. Minister had moved with speed and in fact negotiated on behalf of the weavers, especially of Tamilnadu, and obtained a reduction in fact a ceiling on the yarn price. But this time I regret to note that that interest and speed with which it was done in the past do not seem to be reflected. I mean no aspersion. But I am feeling a little unhappy about this. That is all I can say. The statement is as pro-mills as it can be for the mills, unfortunately. The statement says that hank yarn prices in the counts of 20s and 40s have gone up by 6 and 15 percent. But the fact is that in counts of 80, it has gone up by nearly 40 percent. In counts where it is called as 2/17, it has gone up by nearly 30 percent. In other counts, we have seen increases upto the level of almost 45 to 50 percent, within the period of this one year. There has been a substantial increase and that cannot be denied. To put it down as only 6 to 15 percent is greatly moderated and I will say it is an understatement to say the least.

Sir, I do not know whether the figures have been supplied to the hon. Minister. Instead of reading it out now, I shall do it after the Calling Attention is over and if the hon. Minister is kind enough to give us time, we would go and explain it to him. The very important point is that when the increase took place last time, that is during June 1987 and June, 1988, the reason for the increase in price that was given was the increase in cotton price. At that time, we had argued with the hon. Minister and the Mill Owners' Associations explaining in detail that the rise in cotton price does not justify the amount of rise that was made in the yarn price. We had explained in detail and the Minister understood and, in fact, he stood by us at that time. We had explained that for a bundle of hank yarn, how much of cotton was needed

and how much was the increase and that they were using the excuse of cotton price increase to boost up their profit, at the cost of the handloom and powerloom weavers. The Minister then understood and intervened and because of his effective intervention that we had a drop in price.

Sir, we all know that we are almost at the end of the term of the Eighth Lok Sabha. We all know that we have to go back to the people. I am sure the Minister would agree with me that the Mill Owners may not vote, but our handloom and powerloom weavers would vote.

SHRI P. KOLANDAIVELU: It is the vote bank.

SHRI P.R. KUMARAMANGALAM: Definitely, in my Constituency, about 70% of the people belong to the handloom and powerloom segments of weaving. At this stage to see our young weavers—in fact many of them are old—being out of employment is shocking. One of the fascinating factors is that normally this is the time in my constituency, that is June, July and August, when weaving is done on the full swing. But when I visited my constituency, I found that the loom was lying idle, not because the weavers did not want to work, but because they could not even afford to buy the yarn and when they could afford, the yarn was not just available; when the prices were put up, they were just not available. Normally, Mills declare the prices only once in a month. But in the last three months, we saw the prices declared every month and sometimes every two days. That shows that they were taking the full advantage of the margins in the market and trying to increase the profit. But at whose cost? The cost of cotton has been steadily reducing. During the period 1988-89,—I can give the figures to the hon. Minister—cotton price has gone down in some cases by about 50% and in some other cases by about 30%. But there is no reflection of that on the yarn prices. On the contrary, the yarn prices are shooting up. Actually, the game is a very insidious one. I wish to put on record that it is not only the private

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mills that are playing a part in this conspiracy, but also the public sector mills, playing part in this. They have all got together in the South. What do they do? They purchase the yarn which is available in corn, which is only useful to mills—full textile mills in the organised sector. They send it to Bombay, the North and to the foreign countries because they get better price. One the hank yarn though there is no excise duty for the handloom sector, there is excise duty when hank yarn is used for powerlooms yet the margins of handloom sector are much less. Knowing this, with the sole object of profit, they conspire and produce only that count and only that form of yarn which is suitable for the purpose to automatic powerloom and for the purpose mainly of textile mills.

This has caused a slump not, as the Minister says, in two counts only. Today in the South especially in Salem and Tamil Nadu you cannot get 80's for the asking. You may beg, borrow or steal but you cannot get yarn. In the month of July it is selling at Rs. 463 a bundle as compared to the price of Rs. 330 a bundle in the same month last year. So how can the handloom and the powerloom weaver survive?

I would now come to the question of line of distinction that is being attempted to be drawn by the hon. Minister between handloom and powerloom. The price of yarn is a matter that hurts both sectors. Definitely it hurts the handloom sector more severely because in today's world handloom which deserves to be encouraged is not getting the desired encouragement. Leaving that aside, we have seen that the world market is becoming smaller due to the super 301 which effectively prohibits import into USA of fabric and garments. The market in USA is drying up. So, we find those small powerlooms which indulged in manufacturing fabrics for exports are not having orders today and whatever orders they have got the prices in the international market are so competitive and the price of yarn is so high that they find themselves out of the market.

There are powerlooms which are nothing but automatic looms which belong to the organised sector and there are powerlooms which are nothing but handlooms with an attached motor. To put on par the handloom attached with a motor to that of an organised automatic loom would really be unfair. It amounts to violation of Article 14. It is really making unequals equal. After all all of us want the handloom industry to survive. One of the survival techniques that the handloom weavers themselves have found is to use a motor to replace the movement by legs. This makes the weave also more stable due to even movement of the loom. In fact, the loom runs at the same speed because the threading and the operations to be done on the top of the loom are still done by hand. In fact, the younger weavers are unable to keep and even speed and pressure and this is a solution for the younger handloom weavers to ensure that cloth quality does not reduce. These are the finer details which the Minister is aware of and here the Minister says we will discourage powerlooms Carte Blanche. This approach has shaken me. Can there be any Minister in the field of textiles who knows his field so well as Shri Ram Niwas Mirdha. He knows every little bit of the field from the bottom to the top. He knows how the fabric is made and the garments are cut and even to the extent from where export orders are obtained. He exactly knows the markets but unfortunately we are not able to exploit him to the extent we would like to. Another important fact is that normally these prices are controlled by South India Mill Owners' Association. But the South India Millowners' Association is not coming forward for even talks to discuss the price reduction. They are interested in taking advantage. They have managed the local State Government. I do not wish to say how. Everybody knows how local Governments are managed at the time of elections and the increased sources have been created. (*Interruptions*) The fact is that the State Government is not moving. If the Central Government does not intervene strongly, we will have a real setback to the democratic process. This is what I am very scared of.

In addition to the question of mere yarn price, there is also another very important point whether hank yarn can at all be used by powerlooms. Hank yarn, where they have paid the duty, is permissible to be used by powerlooms. It is not reserved for handlooms alone. I personally think that it is necessary that hank yarn should be made available for the smaller powerlooms and a distinguishing factor should be drawn between, what are called, automatic looms and small powerlooms. The Minister can appreciate this problem. And I am sure that he would like to address it in his own appropriate time and find the solution.

It is not that handlooms are not suffering. They are the real first victims. But alongwith them, these half-upper-castes, as these are called, are not fully raised to the Brahmin status of an organised textile mill. They have not even come to status of a Thakur who can claim that he is an automatic loom. But they are very much in the scheduled caste of the handloom sector with only a little bit of education and, therefore, putting a small motor and run it. It is very unfair to treat them immediately on par with the organised sector. They require a tremendous amount of encouragement if you want to ensure that the export sector is looked after. Everybody is aware that fabric export and Government export takes place because these fabrics are...

MR. DEPUTY SPEAKER: Now we are discussing only the Textiles Department.

SHRI P. R. KUMARAMANGALAM: With the permission of the Deputy Speaker, this is directly connected to price of the yarn. I am asking for reservation for the smaller powerloom and the handloom. I am not talking of the automatic looms in the mills sector. They are getting the yarn which they require. The smaller powerlooms cannot use the cone yarn which is critical as a raw material source. They can only use the hank yarn because their system is similar to that of the handloom. What is important is that for the export potential, all powerlooms or handlooms engaged in production of export varieties,

electricity is an important item. It is made available on special concessional rates to organised textile mills but never made available to be smaller powerlooms. It is available to organised automatic looms but not to the smaller powerlooms. This is something which the Textiles Ministry will have to recommend to the State Governments. Otherwise the State Governments feel that they have the inability to give any concessions whatsoever.

One very important point is that the main source of fabric is from the Salem Periyar and Coimbatore districts in Tamilnadu. Unfortunately the design facilities are not available there. The design facilities are available either in Madras or in Bombay or in Delhi. We request that the hon. Minister might, while considering other matters, also consider setting up design facilities in Salem or in Erode—preferably in Salem because it is my constituency.

I would like to conclude only by saying that the Minister would pay immediate attention to this and not listen to the millowners. Please remember that their only motive seems to be profit and our motive should be to save the millions of weavers who are becoming unemployed.

SHRI P. KOLANDAIVELU (Gobichettipalayam): Sir, I wish to draw the attention of the hon. Minister to the sad plight of the 35 lakh handloom weavers in Tamil Nadu. They are suffering for the last more than 1 1/2 years because of unemployment. I have already drawn the attention of the hon. Minister last year to this through Rule 377 to which he had also replied on 6th May, 1988. You had stated that so many steps were being taken to protect the interests of the handloom weavers. I don't think that after his reply, for the last one year, any steps have been taken in this regard for the safety and security of the handloom weavers. In paragraph 3, you have stated "In order to provide relief to the handloom industry, following schemes are in operation. The Hand yarn Obligation Scheme, loan assistance to the National Co-operative Development Corpo-

[Sh. P. Kolandaivelu]

rations for setting up new weavers co-operative spinning mills and expansion of the existing units and yarn supply corporations of the National Handloom Development Corporation..." and so on. You have stated all these things. You have also stated that the State Governments had also been advised to set up Yarn Price Fixation Committee. When you have said to have a Committee in the State Government, are they fixing the proper price, the reasonable price for the handloom industry? It is not so. For the last one and a half years, the yarn prices are going up. The yarn prices have been doubled and the silk yarn prices have been tripled. This is the position. You know fully well that so far as the organised sector is concerned, they are well protected because of the new textile policy which you have brought in 1985. Because of that new policy, only the organised sector, the mill sector, has been protected and not the handloom sector. The hon. Prime Minister has brought in a Bill here reserving 22 items from the organised sector to the handloom sector. What happened to that? Are those 22 items which have been reserved by the hon. Prime Minister being given to the handloom industry? The organised sector, the mill sector have gone to the Court of law and got a stay. What happened to that? For the last more than four years, it is pending before the court. What steps have been taken by the Minister to protect the handloom weavers? You are bringing so many laws and passing so many bills. What about the implementation part? You are drawing so many plans and programmes. What about the implementation part? So, the gap is widening day by day. The gap is not being filled up. That is the position now. That is why I am asking the hon. Minister to take immediate steps to protect the handloom industry because 35 lakhs of weavers are suffering in Tamil Nadu. I would like to draw your attention to the position after bringing the new textile policy. What is the position now? In 1985-86, before the implementation of the new textile policy, the unemployment figure was 70,000 in Tamil Nadu. After implementing this policy, this figure has

gone up to one crore and twenty seven lakhs. This is the position of the handloom sector. You must think it over. Unemployment figure has increased from 70,000 to 1,27,000,00. What is the use of bringing the new textile policy? Have you protected the handloom sector? There is no safety and protection so far as the handloom sector is concerned. The hon. Minister has stated in his statement that hank yarn is only meant for handloom sector. Is it used only by the handlooms? The powerlooms are using it under the guise of the handlooms and so many cloth varieties are being sold in the open market as if they have been produced by the handlooms. Are any steps being taken by the Government in order to protect the handloom industry? You are only for the organized sector, you are only for the powerloom sector and not for the handloom sector. Unless you change your policy, you change your attitude, the handloom sector cannot be protected.

What are the earnings of the handloom weavers in comparison to the organized sector, the mill workers? While each mill worker gets Rs. 60 to Rs. 70 per day, a handloom weaver gets only Rs. 6 or Rs. 7 per day. What about the hours of working? While the mill workers work for eight hours, the handloom weavers are busy throughout the day and in fact, their whole family is engaged in that. Therefore, we must realise the position of the handloom weavers. I request the hon. Minister to consider to give them rebate. You were formerly giving rebate for sixty days, then it was reduced to 30 days and now it is for 15 days only. You must give rebate for 60 days. Moreover, the State Governments have also to be blamed for this. The State Governments are not at all looking to the handloom sector at all. They are for the safety of the organized and well-organized sector, the mill sector. The South India Mill Owners Association are also protecting the organized and mill sector and not the handloom sector. The yarn is not being given on reasonable prices even at the fair price shops to the handloom weavers. I request the hon. Minister to take immediate steps in this respect in order to give more

employment opportunities to the handloom weavers as also protect their families.

SHRI K. RAMAMURTHY (Krishnagiri): Mr. Deputy-Speaker, Sir, I am thankful to the hon. Speaker for allowing the important discussion in the shape of calling attention. This is a very big problem. The handloom weavers are facing a lot of difficulties in this country due to shortage of hank yarn and also the exhorbitant price hike.

I along with the handloom weavers representatives from Tamil Nadu and other parts of the country met the hon. Minister for Textiles several times and he took some effective steps and to a certain extent, now the position has eased. The handloom sector is next to agriculture and it employs millions of weavers. They are not earning any profits in this profession, those who are employed in this industry they are only working to earn their livelihood.

As I said, next to agriculture, handloom sector provides a lot of employment opportunities to the people, but no proper attention is being given to it. No effective steps are being taken to provide proper infrastructure, to provide them free accessibility to raw material at the fair price shops etc. Every year, this House is discussing this matter. I am not able to understand why the Government is not thinking on the lines of finding a permanent and lasting solution to this problem.

I agree with Shri Kolandaivelu that though so many legislations are there governing the employment of the handloom weavers, provision of hank yarn, price fixation and so on and so forth, where is the implementation? I would like to ask the hon. Minister, whether the Ministry is monitoring the working of the Yarn Price Fixation Committees established in the States, and whether they are regularly meeting and fixing the price of yarn.

13.00 hrs.

How many committees are effectively

constituted and how many of them are functioning at all? This monitoring of the implementation of various laws is very much lacking in the Ministry. That is what I want to point out. There are so many Acts which we have passed in this House, particularly as Shri Kolandaivelu mentioned, the Reservation of 22 items to the handloom sector. What has happened to that? We have also enacted other laws like the ESI, the P.F. Contribution for Handloom Weavers and the Minimum Wages Acts. Everything is now contested and disputed in the court of law. They are pending in various High Courts and various courts of the country. Why not the Textile Ministry take cognizance of the situation and put together all the cases, bring them in the Supreme Court and dispose them of? What the Ministry is doing now? Sir, this is the lack of will, I should say, on the part of the Textile Ministry. At least the hon. Minister should now onwards call for the entire position of the legal Acts with regard to the Government of India's directives and also the Acts with regard to the reservation of 22 items in the handloom sector, the ESI Act, the P.F. Contribution and the Minimum Wages Act implementation. He should immediately call for the remarks and take it up with the Supreme Court because this is affecting millions of the weavers. It is quite possible.

Sir, the second thing which I would like to mention is that we are giving a lot of concessions and we are extending a lot of subsidies to various sectors of industry in the country, but for this unfortunate handloom weavers sector we never thought of extending any subsidy. I am not against the subsidy extended to other sectors but I say that at least to this important sector where millions of human beings are employed, we should extend some subsidy. Sometimes back I was told that the Ministry is preparing a subsidy scheme. I don't know what has happened to that. Subsequent to our meeting with the Hon. Minister our delegation met the Hon. Prime Minister and he immediately sanctioned Rs. 80 crores for Hank yarn distribution to various states but unfortunately Tamil Nadu was left out. I don't know

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why. If the Hon. Minister thinks that in the field of yarn production, Tamil Nadu is a surplus State then I would like to know why this shortage is there and why we have such an exorbitant price for yarns. I wish the Hon. Minister of Textile should at least now realise it and order for opening of some depots in Tamil Nadu to ameliorate this particular situation. In fact 3.5 million handloom weavers are engaged in this industry in Tamil Nadu and if they are left out I am afraid you will only be siding with the SIMA people. The State Government has not yet convened the Yarn Price Fixation Committee and at the same time no depot is opened in Tamil Nadu to ease up the present situation. Why have you selected only five States for this purpose? I would say that wherever it is not there you should open the depots.

Another problem which some of our friends pointed out while participating in the discussion is about the export. Our handloom export is now touching nearly Rs. thousand crores. But because of this exorbitant price hike in the hank yarns, the export market is dwindling. Now, they are not able to keep up their earlier commitments and they are not in a position to export the handloom goods. I would like to know what sort of subsidy or what sort of incentive you are going to give them. You announced that 5 percent will be given even at the time of drought but it has not reached. At least now you must think of what sort of concession you can give to the exporters of the handloom so as to protect them from the onslaught of this price rise and the onslaught of the shortage of hank yarn. At least you must ask the Handloom Export Promotion Council to have its own demand and supply from the NTC mill or the Cooperative mill and protect them from this onslaught of the price rise and also the onslaught of the shortages of the Hank yarn.

I would like to ask the hon. Minister two points. Firstly—this I have already mentioned how does the shortage occur? In his statement, the hon. Minister has mentioned " in

the previous year because of the drought, the cotton produce have dwindled down. That is why it has gone up." In the same year, you have allowed the textile mill owners to import cotton from other countries. What happened to that:

Another point which they are mentioning about is the shortage of hank yarn. This year particularly it happened that in spite of our very good produce in the cotton sector, the price of cotton subsequently is also coming down and the price of yarn is going up. What reasons they have attributed is that they are exporting it. I am asking you at whose cost you are exporting it. These textile mills in this country have been given them obligation to produce at least 40 percent of the hank yarn. I want to know whether your Ministry has monitored it and saw to it as to how many mills have produced it. What action you have taken on those mills which have not produced? Why are hesitating in putting up this hank yarn under Essential Commodities Act?

I am asking this question straightaway. This is a very serious matter. This is a very serious situation now which we are facing. Why not you find a lasting solution? You must think of these things. Why not extend subsidy for the distribution of the hank yarn to the handloom weavers and to give protection to exporters of the handloom goods from the onslaught. You must find out some sort of a mechanism for the protection of these handloom exporters. Thirdly—this is a thing in which I am interested you kindly open up these depots in all the States where are they having the handloom sector.

Thank you very much.

SHRI RAM NIWAS MIRDHA: Mr. Deputy Speaker, Sir, I am very thankful to the hon. Members for bringing up a subject which is of highest importance so far as the Ministry of Textiles is concerned.

It was a very well-informed and well-argued statement of a situation which is developing fast from time to time. I could

reiterate the Government's contention and policy that handloom is the very important sector of our national economy and has to be protected at all costs. It is the most important unorganised sector after agriculture. It is giving employment to millions of people—people who come from backward classes, minorities and other classes to whom the Government wants to help all the time.

Handlooms are also a part of our national heritage and we want to preserve it. It is the heritage which we have inherited 100 years ago and in some instances over 1000 years ago. Therefore, from every point of view, we are committed as a policy to protect handloom in every possible way. The Hon. Members might be knowing the various steps which we have taken to give protection to the handloom sector and I would not like to repeat them. But I would like to say something specifically about the points raised in this discussion. The one point that has to be borne in mind is that powerloom sector is coming to occupy a very important place and sometimes, rather quite often, the interests of the two sectors clash. Just you take the point regarding reservation which the hon. Members and particularly Shri Ramamurthy has mentioned. Among other things, the reservation order is meant to ensure that these varieties should be produced only in the handlooms. That has been contested by the powerloom sector as also the organised sectors.

Government has taken a number of steps; and a well-informed Member like Shri Ramamurthy ought to know that we have already taken up the matter with the Supreme Court. Various High Courts in the country issued stay orders. We immediately went to the Supreme Court and requested them to call all the cases to themselves. And now, only the Supreme Court is seized of this matter. We are pursuing it with them. The vacations are over, and they are meeting; and we are still pressing them to decide this soon, because it affects a large number of handloom weavers.

So, whatever laws that we make, we are

very serious to implement them. The implementation machinery, under the reservation order, lies with the State Governments. We are funding them.... (*Interruptions*) helping them in establishing the enforcement agency. They are establishing them somewhere, and they are slow in other places. So, it is not correct to say that the Government is not doing much in this respect. We are very much conscious of this, and we will do all that we can, to protect this very important sector.

Apart from the other points that have been made, the main thing is about the availability of yarn at reasonable prices. Short of imposing physical controls which, incidentally, even the weaving community does not want, we have done everything possible administratively, formally and informally, to see that reasonable prices for yarn are charged from the weavers by the mills. It is not correct to say that the Government is favouring the organized sector, viz. the mills. It is also not correct to say that the Textile Policy of 1985 favoured the organized sector. It is not correct, as was mentioned, among others, by Mr. Kolandaivelu. But the mere fact is that since the promulgation of the 1985 Textile Policy, production in the organized sector has gone down. Every year it is maintained. The share of handlooms in the total production is going up. The share of powerlooms in the total production of cloth in the country is going up. The only sector that is suffering from fall in production, is the organized mill sector. So, our policy which is deliberately in favour of handloom, and to some extent also of the powerloom, has been aimed at protecting these two sectors which are important, which contribute substantially to the total cloth production in our country, and from the employment point of view, are also very important.

We have taken a number of steps—Mr. Kolandaivelu wanted to know what I have done since I wrote him that letter. There was this Rs. 80 crores announcement, as a result of the interest taken by the Prime Minister, as mentioned by Shri Ramamurthy; this is one such step, because when the situation was getting difficult, we made a proposition that

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the National handloom Development Corporation will open depots in various places, and that we should give some subsidy. (*Interruptions*). The subsidy to be given is this: 5% of the cost of transport, distribution, interest on capital etc. would be given as subsidy to the National Handloom Development Corporation; and it would not be passed on to the weavers' societies, or to weavers themselves. I was in Lucknow yesterday; I came just this morning. One of the things I was discussing with NHDC's headquarters in Lucknow, is the progress of the scheme. We are in touch with the State Governments. we have requested them to tell us where they want these centers to be established; and we should see that they are established at the earliest.

A question has been asked why centers are not coming up in sufficient numbers. One of the criteria, to start with, that we adopted is that we have these centers in States which are deficit in yarn production. Another thing I would like to mention is the initiative that we have taken, viz. the meeting which I took only a few days back, of the representatives of the Indian Cotton Mills Federation, of SIMA, of the State apex bodies in the cooperative sector, of the State cooperative mills, of the State corporations, and of the public sector mills in the State sector—and all of them were there; and we took certain decisions.

SHRI P. KOLANDAIVELU: To that meeting, representatives of the weavers were not invited. (*Interruptions*)

SHRI RAM NIWAS MIRDHA: They were invited. Some of them were there. Representatives of the State Apex bodies and State Corporations were there. Incidentally there were weavers' representatives also. I can name all of them. A lot of people from Tamil Nadu, who were formerly connected with COOPTEX were also there informally. There are so many bodies and it is not just possible to invite all of them. The State Governments have to be taken into

confidence and they are expected to represent the view-points of their weavers. But even then, some of them came individually and we invited them. (*Interruptions*)

KUMARI MAMATA BANERJEE: The State Governments are not serious... (*Interruptions*)

SHRI RAM NIWAS MIRDHA: That is the whole problem and we cannot substitute ourselves for the State Governments... (*Interruptions*)

KUMARI MAMATA BANERJEE: If they are not serious, then the Central Government is expected to play... (*Interruptions*)

SHRI K. RAMAMURTHY: You have mentioned that Tamil Nadu is the surplus yarn production State. Then, why this malady?

SHRI RAM NIWAS MIRDHA: I am coming to that. I have said in my statement, if you read it carefully, that there is a mismatch of certain counts. The Mills, even the cooperatives, say that they were not given an advance notice as to which cooperative and State Corporations would want how many counts. Now they have a Monitoring Committee. We have asked them to give a quarterly projection of the counts required and we would see that the mills, whether it is the private sector or the cooperative sector or the nationalised sector, conform to that. So, this mismatch is one important thing. The mill owners which are other than the nationalised sector say that they did not get any advance commitment as to how much counts would be lifted. One important thing we have done. Immediately a meeting would be called and the cooperatives and the Apex Corporations from States would be called to project their requirements of a particular variety and then we will ask them to produce the required counts. It is not overall shortage. Overall availability is there. There is a difficulty with certain counts of the coarse variety as well as the finer variety. So, we have done this to remove the mismatch of production requirements.

An another thing we are serious is about hank yarn obligation. One view from the side of Spinning industry is that there is no shortage and hank yarn is available all over. They have given figures of their inventories of unsold hank yarn. So, we will again go into this, whether the required quality of hank yarn is available or not. Again we will come around to counts and all these things. So, we have taken certain decisions in the meeting which I took a few days back that there will be monitoring of hank yarn obligation, monitoring of prices—we cannot fix the prices every week or so, we asked them to be firm with the prices atleast for a month or a certain period for which there will be constant interaction—and thirdly wherever difficulty comes, the Corporation should step in and buy things from a particular area and send it to another area. So, almost every month we are taking certain initiative or some corrective measures for a very fast developing situation.

To divide the powerlooms into sectors is a really difficult thing. Powerloom is a powerloom, as was mentioned by Shri Kumaramangalam. It is very difficult to say which are the Scheduled Caste powerlooms, and which are the brahmin and other powerlooms. They can pose this problem to the committee which has been formed to review the Textile Policy. And I believe that it has been done because we received representations from time to time that there should be a moratorium on expansion of powerlooms. A demand has come quite often to us that the powerlooms, particularly fast automatic variety, should not be allowed to be installed in the decentralised sector. But we have not been able to take any decision on this. It is a very complex thing. We do not believe in controls. Our present policy is to liberalise things as much as possible. So, we cannot put a constraint on certain things. Certain economic situations have to be developed. Take for example export sector. One of the strength of our export sector is that the powerlooms can give in a few thousand yards of a particular quality required, which cannot be done outside. If we put a moratorium or we restrict by law establishment of new powerlooms or fast powerlooms which

are required for export sector, I think, we would be the losers in the end. Anyway, the whole matter is before the Abid Hussain Committee which is going into all the three sectors—organised sector, mill sector, powerloom and handloom sectors. We are awaiting their recommendations so that we can review the whole thing. Again, 1985 textile policy has worked satisfactorily, has worked to the advantage of powerloom sector and handloom sector whose percentage in total production has increased. I think, we will do everything possible to do things like that.

Powerloom sector was a completely neglected sector till now. They were not getting any finance for establishment of powerlooms. They were not getting any money for working capital. Both these factors i.e. working capital and funds for establishment of powerlooms we have taken up with IDBI. Both these ideas have been accepted and they are going to help us in that.

SHRI P.R. KUMARAMANGLAM: What they need is registration (*Interruptions*)

SHRI RAM NIWAS MIRDHA: Registration is a different matter. I hope, you will not compel me to say how the powerloom sector developed. It was a clandestine sector. It is a sector which is illegal *ab initio*, illegitimate. Therefore, 85 textile policy says; let them at least register and let us not put any restrictions on them. But we agree that it is a sector which provides 50 percent of the total product. We cannot ignore it. We do not want to ignore it. We have made schemes for development of powerlooms on proper lines by financing the establishment of new powerlooms, by providing working capital and also design centres. Our policy is to have proper and regulated development of powerloom sector also in every possible way which includes all these factors, designing etc. Export also is an important area. Handloom has been contributing a lot to our promotion of exports. We are finding difficulties. The United States is proving very difficult. They have imposed certain restrictions on handlooms. We have taken it up with them. We

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hope to sort it out in a satisfactory way.

As regards export incentives, they are plenty of them. There is a very well organised exercise for giving incentives particularly cash compensatory support for export of handlooms and other commodities. And whenever we receive suggestions, we try to accommodate those suggestions.

SHRI P. KOLANDAIVELU: What about the rebate for 60 days?

SHRI RAM NIWAS MIRDHA: Rebate, as we discussed a number of times, is a double-edged thing. Most of the States say that rebate is not being properly used, and it should be rationalised in a particular way. There are a number of proper studies made in this. Based on that, we have come with a package of marketing assistance which includes rebate but it includes lot of other things also. Mere rebate would not solve the problem. In rebate you will be able to sell twice a year, and then sit back the whole year. The whole thing gets dormant for the rest of the year. So we have give a choice to the States whether they want the rebate of a particular quantity or market assistance or design assistance. All these are assistance. Rebate is one of them. We do not want to debar rebate. But now we have given a wider choice to them—a new marketing package, a development package which includes rebate also and we see that other parameters of assistance are also employed.

KUMARI MAMATA BANERJEE: What about fair price for the supply of hank yarn...
(Interruptions)

SHRI RAM NIWAS MIRDHA: There is surplus in Tamil Nadu. It is miss-match in Tamil Nadu and not scarcity. This we are trying to solve. If the mis-match does not work, we will bring those counts from outside the State also.

SHRI K. RAMAMURTHY: What about distribution of hank yarn at subsidised rates?

Time and again you have formulated certain schemes. What happened to those schemes?

SHRI RAM NIWAS MIRDHA: We have other ways of subsidising the handloom sector. We give marketing assistance, design assistance including loan. After all, all these are subsidies. Instead of direct subsidy we want to give subsidy on the whole gamut of activity.

13.25 hrs.

MATTERS UNDER RULE 377

[English]

- (i) **Need to restart the work of erecting tower at Raiganj in West Dinajpur to facilitate setting up of Microwave complex**

DR. GOLAM YAZDANI (Raiganj): Sir, with a view to establishing a Microwave complex at Raiganj town in West Dinajpur district in West Bengal, the work of erecting a high tower was started in the selected place. But before it was completed, the tower fell down when a storm swept the area in March last. This happened because the work was given to some inefficient contractor. After the damage of the tower, order was given to shift all the materials to Orissa and the shifting has been done in spite of protests by local people and public organisations. Attention of the Central Government has also been drawn about the matter but to no effect.

This shifting of the materials means that an undeveloped area in North Bengal will be deprived of a very useful and urgent developmental work.

So, I draw the attention of the hon. Minister of Communications to this matter and request him to order for confirmation of erecting the tower at Raiganj so that the Microwave Complex may be set up at Raiganj.