

[Sh. R.P. Das]

to help secure for the people better and higher standard of living.

In view of this laudable objective of the NFC with a view to securing such objective, development of infrastructural facilities in and around the units is essential, more so for the agricultural sector. In so far as the winner units are concerned, motorable road, electricity, housing and such other facilities should be provided with.

In West Bengal Palda Fishermen's Cooperative Society Ltd. and Mudiya Fishermen's Cooperative Society Ltd. are such winner units that could not much better if the needed facilities were available to them. Therefore, I would like to urge upon the Government to help secure such infrastructural facilities to those winner units.

(viii) Demand for an opinion poll in the disputed area to solve Maharashtra-Karnataka border issue.

DR. DATTA SAMANT (Bombay South Central) : Dispute between Maharashtra-Karnataka border areas has been pending for the last thirty two years. More than fifteen lakh Marathi speaking people are residing in the border areas of Belgaum, Nipani, Karwar, Khanapur etc. As the recommendations of Mahajan Commission have not been accepted by the Government, they are not final. Recently, Marathi speaking people in border areas have been forced to learn Kannada from primary education and all correspondences at Government level is being made in Kannada only. This has caused hardships to the people.

Central Government has taken stand that this dispute should be solved by mutual discussion and consultation by Chief Ministers of both states. Hon. Home Minister had series of meetings with both the Chief Ministers. Chief Minister of

Maharashtra has suggested opinion poll in the disputed area so as to solve the issue as per wishes of the people. Central Government has taken similar stand on boundary disputes between Haryana, Punjab, Andhra, Kerala etc.

I, therefore, appeal to the Central Government to take opinion poll in the disputed area to solve this problem once for all.

12.30 hrs

**KHADI AND VILLAGE INDUSTRIES
COMMISSION (AMENDMENT) BILL**

[English]

MR. DEPUTY SPEAKER : Now the House will take up next item, namely, item 31.

Mr. Arunachalam.

THE MINISTER OF STATE IN THE DEPARTMENT OF INDUSTRIAL DEVELOPMENT IN THE MINISTRY OF INDUSTRY (SHRI M. ARUNACHALAM) : I beg to move* :

"That the Bill further to amend the Khadi and Village Industries Commission Act, 1956, as passed by Rajya Sabha, be taken into consideration."

MR. DEPUTY SPEAKER:
Motion moved:

"That the Bill further to amend the Khadi and Village Industries Commission Act, 1956, as passed by Rajya Sabha, be taken into consideration."

Moved with the recommendation of the President.

SHRI K. RAMACHANDRA REDDY (Hindupur): Mr. Deputy Speaker, Sir, Government has come forward with a very very important Bill. It seems there were certain lacunae in the Act of 1956 and in order to remove those lacunae and in order to make this Khadi and Village Industries Commission work efficiently the Government has brought forward this Bill. But I would like to say that Government has not come forward to express the difficulties they were experiencing in the Act of 1956. We would like to know in what way the previous Act could not promote and develop the khadi and village industries.

So, while going through the Bill I am of the view the Bill has been prepared in a hurried manner. The drafting is very haphazard. The Clauses are not intelligible. I do not know the reason why such an important Bill has been put forward before this House in such great haste. By this Bill does the Government really intend to achieve the objectives that have been enunciated in the Memorandum of Objectives.

Sir, this is a Bill which deals with very poor people. It deals with people who are residing in villages. In villages unemployment has increased manifold. People are not able to find employment. Most of them are unemployed. Under-employment is there. In order to provide them gainful employment Government intends to start a number of industries in the villages and that is why the Act of 1956 had been enunciated.

Prior to British Raj the villages were self-sufficient. The village economy was prospering well. A number of artisans like carpenters, weavers, blacksmiths, etc. were there. They were able to take out their livelihood. Those people were manufacturing almost all the needs of the villagers. During the British Raj they completely ruined the village independent economy. They converted the villages into villages which could just supply the

Britishers raw material and the Britishers take it to their country and send back the finished goods. They have deliberately trampled and created chaos in the country. They have completely ruined the village economy and the village artisans. I will give one example. In spite of their advanced economy they were not able to manufacture Dhaka Mulmul. So in order to see that this cloth does not get prepared and it does not act as a competitor for their cloth those people deliberately ruined the manufacturers of Dhaka Mulmul. The British rulers had trampled, smashed and completely ruined the artisans. So, the artisans became jobless. They don't have anything to do. Most of them remain like that because the village economy has been smashed. Mahatma Gandhi has given Khadi. "We Won't wear foreign cloth. We must wear Khadi." That was the slogan with which Mahatma Gandhi fought not only Swaraj Movement but he was able to join this Khadi Movement to the Salt Movement and then fought the foreigners.

Now, a perusal of this Bill shows that none of these clauses is in a position to help. Seventeen clauses are there in this Bill. I don't know how these clauses are going to improve the village economy. How it helps starting of industries here? You may see that except clauses 2, 9 and 11, rest of the clauses are only incidental because you will have to give effect to this 2, 9 and 11. Some of them relate to removal of vice-chairman powers of the members of the commission, who is to preside. All these seem not very good.

Now it has redefined the "rural area", a rural village. They have said: A village with 10,000 population or below has been defined as a "rural area" How this definition is going to promote industries and Khadi in the villages? How you have caught hold of this 10,000 limit? What are the reasons? What is the basis? What are the norms you have? They say a village with 10,000 population is preferred. How this 10,000 population has been fixed? By merely saying that for a village area,

[Sh. K. Ramachandra Reddy]

10,000 population alone is the limit, I don't think it will improve. What is actually needed is the money for the rural population. You know 70 per cent of our population lives in the villages. Most of them are under-employed unemployed. By merely saying this, I don't think the present amount of Rs. 100 crores allotted in the Plan for the village industries is sufficient. So, when monetary benefit is without giving sanction of money, I don't think this act alone will be sufficient.

As far as the limit is concerned, they have said the per capita investment of an artisan would not exceed Rs. 15,000. I don't know how they have arrived this norm. For example, in public sector undertakings, crores of rupees are being invested.

You are spending Rs. 10 lakhs, 15 lakhs or like that. We are having steel plants where seven hundred to eight hundred thousand crores of rupees are being spent to provide jobs for just about 5,000 or 10,000 or 20,000. When such is the case, as far as village industries are concerned, if the Government is sincere, they should come forward and raise this limit of Rs. 15,000 to at least Rs. 25-50,000 rupees. Then only the Act can provide work. You are merely saying that we are increasing the per capita limit of Rs. 15,000. But the Bill does not say what is the amount that has to be paid to the labourer or artisan who works in that industry. Their rights have not been thought over at all. That's why I say the Bill has been drafted in a hurry. They have not taken this thing into consideration. What is the amount that they will get? What are the rights of workers and artisans? Unless you are able to see that the workers get some substantial amount, they will not be in a position to improve it. The workers produce a lot of material, the village industries produce a lot of material but where is the market for all these produce? Who is going to purchase it?

Even the Government which is encouraging khadi and the hand woven cloth are to be worn compulsorily by the congress people - that was the Congress manifesto, I do not know whether they are following it or not - they are not purchasing khadi produced by these village industries. Unless you make some accord that all Government undertakings much purchase khadi produced by these industries or something like that, you are not going to create the marketing facilities. If you yourself do not purchase khadi, how can you expect the people at large to purchase it? Is the khadi in a position to compete with the mill made cloth either in price or in quality or in its durability? So, you must be able to see that the production of khadi is made more attractive.

Then one more thing they have done is that the number of persons in the committee has been increased. In the previous Act, it was between 3 to 5 and now they have made it to 12 persons. Out of these 12 persons, 6 people are supposed to represent 6 regions. I do not know which are these regions and how they are going to deal with these 6 regions?

There was a committee called The Ramakrishnaiah Committee. It made some recommendations and we have accepted all the recommendations of the Committee. The Ramakrishnaiah Committee recommended that the representatives and others in the Commission must be non-official; they should not be official. They say they have made the Ramakrishnaiah Committee membership to 12 and out of them 6 persons represent 6 regions. It is not clear whether those 6 persons are officials or non-officials. As far as the other people are concerned, 4 of them are supposed to be people who know something about rural development, employment potential, training etc. Out of the remaining two persons, one is the

Chief Executive Officer and the other is Financial Advisor. So, in this Commission all the 12 persons do not appear to be officials.

Now, as far as the officials are concerned, they have taken very great care to enumerate the qualifications. Now they think they have been disqualified. Only in the Act, they have mentioned what are the qualifications to become the Chairman or what are the qualifications to become a Member of the Commission. so, unless you are able to bring in men who know rural villages, who have got rural background, who have sympathy towards the poor villagers, who take pity on the villagers, the working of the commission will be a failure. So, these qualifications have also to be enumerated.

Mahatma Gandhi started this Gram Udyog. He did not want to take the help of the bureaucrats at all. He wanted to keep this Gram Udyog away from the bureaucracy. But now we are trying to include the role of bureaucracy. so, this aspect may also be looked into.

Now, by just amending these two clauses how are you going to improve it? I request the Minister to come forward and inform the House about how many villages are there? What is the total number of unemployed persons in the villages; how many industries will be started per year there; how many people you will be able to absorb; what is the remuneration which you will be starting these industries per year; how many people you will be able to provide labour; how long it will take to start industries in the villages so that all unemployed or underemployed villagers get jobs.

So, under the circumstances, I would say that this Bill has been drafted very hastily. I request the Minister now to please do not stand on prestige as this Bill deals with a large number of poor people in villages. So I request the hon. Minister

that without standing on prestige, he should send this Bill to a Joint Select Committee. No doubt, it may take another three or four months. Let the Joint Committee comprising members of both the Houses sit together and discuss then come out with a report. Heavens are not going to fall if there is a delay of three to four months. so, please see that the Bill goes to a Joint Select Committee. Give them some time to discuss about it.

I just want to mention one more point. Government always comes out with rules and laws. But making rules and passing laws is not just enough. Even if a law is enacted, if there is no implementation, what is the use of having laws? So implementation is far more important. I am told that the post of the Chairman of the Khadi and Village Industries Commission has remained vacant for nearly eight to nine months. It took almost one year to appoint another Chairman. If this is the way to implement things, I am afraid even this law also becomes infructuous. So, I once again request the Government that instead of standing on prestige, they should send the Bill to the Joint Select Committee to get the opinion of the public and thereafter they should come forward with a comprehensive Bill.

PROF. N.G. RANGA (Guntur): Mr. Deputy Speaker Sir, I am sure all sections of this House would support this Bill. I am very glad that my hon. friend Shri Ramachandra Reddy has supported the Bill. But at the same time, he made some useful suggestions.

Only the other day, at the time of the non-official Bill on the resolution moved by Shri Banatwalla, representatives from all parties were very insistent that special and concerted steps should be taken by the Government to solve the problem of unemployment and to give effect to the assurance given by the Constitution-makers that employment would be provided for all adult male and females in our country as soon as possible and in an

[Sh. N.G. Ranga]

effective manner. All of us were insistent that there should be special steps in order to help people to get employment and where and when the Government fails to do so, they should be provided with some maintenance. Unemployment insurance has been provided in many of the European countries as long ago as 1920. But till today we are not in a position to insure people against unemployment. Only in a few States, efforts are being made to assure full employment or otherwise to provide some maintenance. Full employment means assuring 160 to 180 days of work in a year to one adult in one family. In a few States only efforts are being made in this direction, i.e. to assure people of this much of employment or otherwise to give them some maintenance assistance. But there are so many other States where even this effort is not being attempted. It would take quite a long time before we can possibly reach upto the European socialist standards of providing employment for every adult male and female or to provide them adequate maintenance in case they are not able to assure full employment.

Before we reach upto that level, should we not be doing something? And this is where, long time ago Mahatma Gandhi had raised his voice on behalf of the people of our country who were in search of employment, and he said that when there was no employment, maintenance be provided. At that time, the economists who were under the influence of the capitalist system went on saying that it would not be possible to provide that kind of protection. Secondly they said that the solution that Mahatma Gandhi had offered to our country of developing village industries and establishing Khadi was not at all progressive. They were keen on providing employment through large scale industries. Where large scale industries were not at all possible to be organised, what would happen to the masses who would remain unemployed in those towns and villages? They had no

answer at all. Mahatma Gandhi provided that answer. It is only through village industries, through Khadi especially and all other village industries built around it that you can possibly think of providing some quantum of employment to our rural folk-millions and millions of them or tens of crores of them.

The other day information was given to our House that as many as 35 million people- educated people- have already registered on the Labour Exchanges as seeking employment. But what is this figure of 35 millions? It is big enough when compared to the unemployed people in America? It is much bigger than all the unemployed people in the whole of Europe. But nevertheless, it is nothing at all, when compared to the total number of unemployed people in the towns as well as in the villages and even those people who are got to be provided with employment. Whatever other employment is readily available at hand to the Government in order to assure those people some means of livelihood in a self-respecting manner, should be provided. This is the solution that Mahatma Gandhi had offered to our country and to our people, 60 to 70 years ago. We have been moving in that direction. Unfortunately, for us, whenever our Government - the congress Government - came into power, rather the Government of free India came into power, they have brought into existence the Commission for Khadi and Village industries. But it has not been given sufficient funds as Mr. Reddy has just now said. It has not been given enough support and that is why, we have come forward now with this Bill. The whole of the country is to be divided into six areas and each one of these areas is to be provided with representation on this Board or on this Commission and all of them will be looking after the development of this Khadi and Village industries. Much useful work has been done. So much of spade work has also been done. The whole gamut of organisation has been built throughout India, but so much more has

got to be done and needs to be done. hope with the re-constitution of this Commission and with the new dynamism, the Government is prepared to display the task of development of employment in our country. Let us hope that if not all a good enough portion of our unemployed people in the rural areas would come to be provided with this kind of employment. What is this kind of employment, Sir? It is not a kind of employment that you find in industries, where the employer is the dictator and where the workers are dependent upon them. The only way in which the factory workers can protect themselves is by organising their Unions and be prepared to resort to strikes whenever there is any kind of conflict between themselves and the employer.

We have also introduced now the socialist device, of providing some kind of notional or nominal or even a little better representation for workers on the Board of Directors. Is that enough? It is not enough. We have also provided for a machinery of tripartite negotiations and discussions between employers and the employees, so that whenever there are any serious differences, they would be able to sit together and decide their mutual relations. Even then the workers would still be dependent upon the employer and the management. On the other hand in regard to the village industries and especially in Khadi, every worker is independent. He can be self-employed also. He is free in his own work either in his own home or any kind of hand-in-co-operative cottage. Therefore, this kind of employment is much more self-respecting and much more satisfying from every point of view to the workers. So, we must give special care and assistance to the development of these industries. Government has adopted thanks to the initiative taken by Mrs. Indiraji, when she was the Prime Minister - the scheme of "Food for Work". In the same way, not only food but other commodities also should be supplied to these people. If they are

provided with these essential commodities at subsidized rates, at least at reasonable rates, they would be helped effectively, and they would be able also to work in their own homes, without feeling any kind of a sense of inferiority that they are not able to go to the towns and earn a little more, because all essential commodities of life would be supplied to them at their very doors through cooperative societies, through super markets and through various other Government institutions. Therefore, this Commission should work in close cooperation with the other activities of the Government which are being developed, in order to fight poverty in our country --NRI and various other employment providing institutions. It should not be allowed to work, as has been the case till now, in isolation. It should be put into constructive, cooperative relationship and activity with all other suitable institutions and organizations which Government have been bringing into existence in order to fight poverty.

Where is poverty, Sir? There is so much more poverty in villages than in towns. Therefore, the Khadi and Village Industries Commission is much more suitable in order to help Government in its objective of fighting unemployment, and fighting poverty.

I am all in favour of the new amendments that have been made; and they have been made with the cooperation of Rajya Sabha. This Commission is now going to function in a more democratic manner than in the past, and it would be more representative also, of the workers and of different regions. That is why I am wholeheartedly in favour of this Commission. I would only hope that Government would be prepared to place not just 3 or 4 times, but tens of times more funds at the disposal of this Commission; and what is more, contribute so much more money, not as a kind of a subsidy, but as a kind of an encouragement not only to the producers

[Sh. N.G. Ranga]

and the workers who are employed in this field, but also to the users of their products.

I am very glad that Television has been giving great prominence to popularizing our village industries products. Beautiful products are being produced by so many people. Actually, I can think of a place called Kondapalli where they produce so many of these dolls. At one time, it was a dying industry. Now it is a prosperous industry. Their products are to be found not only in this country but in other countries also. What is more, these mechanical dolls and other things that have been made popular and available to people all over the world, and more especially in our country, are not longer fascinating our masses as much as the products of our own cottage industries. Therefore, this is the best possible time when Government should be encouraging all these industries; and in that direction the more money on their production we spend, the better it will be for the country; and the results also would be highly satisfactory. so I support this Bill wholeheartedly.

SHRI R.P. DAS (Krishnagar): I would like to make a few points before I start speaking. I would like to make it very clear that I cannot support this Bill.

13.00 hrs.

It is not that it is not a good Bill, but the Bill could be made better. So far as I could understand by going through the Bill, some improvement has been made over the previous one. The Minister was very hopeful about bringing the Commission to the door-steps of the artisans. He thinks also that he would be able to decentralize the activities of the Commission.

Let us take things as they are and the total activities of the Commission so far. I am sorry to say that the artisans who work at the workshops still get a meagre

wage. They have been put below the poverty line.

MR. DEPUTY SPEAKER: You stop here and you can continue after lunch, because we want to adjourn for lunch. The House stands adjourned for lunch to meet at 2 P.M.

13.01 hrs.

*The Lok Sabha adjourned for Lunch till
Fourteen of the Clock.*

*The Lok Sabha re-assembled after Lunch
at four minutes past fourteen of the Clock.*

MR. DEPUTY SPEAKER, [in the Chair]

KHADI AND VILLAGE INDUSTRIES
COMMISSION (AMENDMENT)
BILL - CONTD.

MR. DEPUTY SPEAKER :
Shri R.P. Das to continue his speech.

SHRI. R.P. DAS : I have already mentioned in the House that the hon. Minister hopes that the Commission would be decentralised and it will also be taken to the rural areas.

Prof. Ranga in the meantime expressed his hope that one day this country will be able to solve the unemployment problem and reach the standard that is being achieved in the socialist countries. It is a good hope, no doubt. But in the mean time, I would like to give a few facts. Out of 5000 blocks only 500 blocks have been covered till now by the Commission and the investment available is not much, to cover the entire country, or the 5000 blocks and the output has always been less than the target set for them. -The target for employment always remain unfulfilled. Now, Sir, at the end of the Seventh Five Year Plan, it is expected that about 15 lakhs of people would be given employment and the value of the output would be about Rs. 2,000

crores. But, the achievement shows that this Commission could not attain the target. Therefore, we come to conclusion that it is not so easy to provide employment to the artisans in the village Industries. By this amendment, it is expected that the Commission could be decentralised in a manner so that it would be able to reach the doorsteps of artisans. Sir, Prof. Ranga also said that at one time the village industries were in a good position. Before the Britishers came, the bigger villages were economically and otherwise self-sufficient. These were totally destroyed by the British rulers. The Father of the Nation, Mahatma Gandhi, had rightly emphasised that the Khadi and Village Industries should be given priority and by this way, the employment could be generated in the rural areas and the economy could be revitalised. Sir 60 to 70 years have already passed since then. The Khadi & Village Industries Commission Act was passed as far back in 1956, but a little could be done so far.

Sir, the lot of the artisans who are working in the workshops of the societies are controlled by the Commission. First they will have to get certificates from the Commission to form the Cooperatives, and then only they are entitled for loans and grants from the Commission. Without getting these loans and grants from the Commission, these societies can not function. Therefore, the society and other organisations, which are controlled by the Commission through these grants and loans, should have been properly tackled and a suitable ways and means should have been found out so that the lot of the workers could be improved. But, Sir, the workers who are working at the society workshops are still getting meagre wages. They can not even make to meet both the ends. Therefore, it is a well known fact that they are below the poverty line. Sir, Prof. Ranga had said that he was happy that something could be done for these workers. But to my knowledge, the lot of the workers could not be made

better as yet. One Shri Narsingha Prasad Biswas, Congress - I man, who was a good friend of mine and who is no more now, had one cooperative. He was of the opinion that the lot of the workers in the Cooperatives could not be made better because of some of the rules which were being followed by the Commission

He was of the opinion that something should be done by the Commission. If the Commission was competent or effective, then the lot of these workers of the cooperatives could be made better. I put some questions to the government a few years back but the answer was evasive. Since then I found that it was not easy to do anything in this respect. Therefore, I urge upon the Government and the Minister to do something in regard to the betterment of the wages of the workers of these workshops under the cooperative societies Act

Now, I am glad to find that some remedial steps have taken in regard to KVIC employees. It has been decided that the changes that have been made in the emoluments and pensions of Central Government employees, could be extended to the employees of KVIC. This is for the betterment of the employees who are working under the Commission.

As regards decentralisation of the commission it is a good step forward. Until and unless Government decides to the organisation and the organisation cannot possibly reach the village level, it is not use of having much more money for investment at the lower level without decentralisation. Therefore, proposal for six zones have been made in the Bill. One person from each zone could go to the Commission. The total number of members of the Commission would be 12 only. Six will come from the zones and four will be nominated experts.

SHRI M. ARUNACHALAM: The total number of members is 10 Experts are 2.

SHRI R. P. DAS: Chairman of all the State Boards could represent all the zones. And the Chairman of these State Boards could also represent on the Commission. I donot know whether it will be possible. In that way, the number of members would go up, no doubt but the Commission could be more well-represented at rthe same time.

THE MINISTER OF INDUSTRY (SHRI J. VENGAL RAO): They are not members of the Commission. They are only Chairmen.

SHRI R.P. DAS: But, still something could be done in that regard, with the concept of decentralisation and with the hope of investment of more funds, for the purpose. All that is needed at present is to make the Commission an effective instrument.

[*Translation*]

SHRI GIRDHARI LAL VYAS (Bhilwara) : Mr. Deputy Speaker, Sir, I rise to support the Khadi and Village Industries Commission (Amendment) Bill. I would , however, like to submit that many of the suggestions made by the Expert Committee have not been accepted as referred to in the Statement of Objects. One of the suggestions was to provide minimum wages to all the artisans but no provision has been for it. The artisans working in the Khadi Cooperatives and other institutions are being exploited. I have given an amendment for making such a provision. I hope that the interests of the artisans will be protected by accepting my amendment. It is a matter of happiness that you have you have raised the number of members of the Commission from 5 to 12. You have also provided for selection of representatives from 6 places from 6 regions. You have not given any throught to providing a labour representative about whom the Expert Committee has not given its opinion. The labour representative should also be the member of the Commission about whom there is no provision. Such a provision

should also be made to protect the interest of the labour. I have already given a suggestion in this respect and have written to you of the union. In order to safeguard the intetests of labour, their representative should also be taken as member of the Commission. The members of the Khadi Commission are holding various offices in different States and they have formed a big group. Such persons should not be taken as members of the Commission. I have given an amendment to this effect. The main reason for it is that these people have misused funds worth crores of rupees. Such people naturally try to protect their own interests and in order to do so they create disorder in the system. It is essential to stop this state of affairs.

These are my three suggestions which will definitely strengthen the Bill. I hope that you will accept all the three amendments proposed by me and make such provisions which will enable the workers to organise themselves in a proper way. Their exploitation will also stop. Those persons who are holding high offices and are misusing funds should be removed and more and more people should be provided with employment. A representative of the labour should also be included in it so that he can protect the interest of the labour. Certain provisions in the Bill, we welcome. For example, the proposal to set up all the cottage industries in the rural areas, is a welcome step. 80 per cent of our people are residing in villages and unemployment is the biggest problem in the rural areas. You have made a provision for making employment available in this Bill. For setting up industries in the rural areas, a limit of Rs. 15,000 has been fixed but it is too small. It should be increased to Rs. 20,000 or Rs.25,000 as it will help in providing employment to more people. Similarly, it has been stated that we will have an

[English]

..... expert member so that the benefits of science and technology are made available to the rural society."

[Translation]

It is also a welcome step. The expert will go into the types of work done in the villages and suggest how an improvement can be brought about in them. The programmes under the TRYSEM will be improved as experts will be assisting in streamlining them and by evolving new systems and by using improved technology, employment for the people in the rural areas will be guaranteed to the maximum. It is also a welcome step. It will help in ensuring proper functioning of Khadi and village industries. There is a need for a large scale expansion in it. Rajasthan is a backward State, half of which is covered by desert and the other half has been reeling under drought conditions for the last four years. Earlier the State used to get help from Khadi and Village Industries Commission during such an eventuality but now this help is not forthcoming any more. The Government should take steps to provide more and more assistance to Rajasthan so the cottage industries can flourish there in large numbers. It will help in providing employment to a large number of rural people. Again, KVIC has been providing financial assistance to the tune of Rs. 1 or 2 crore every year to meet the famine situation but this year no such allocation has been made. Therefore, I want that the Minister of Industries should take active steps to extend more and more assistance to Rajasthan. I would like to request the Government to give more incentives to the small and cottage industries in the rural areas. Instead of encouraging large-scale industries and institutes, such small scale industries should be encouraged as can generate maximum employment opportunities for a maximum number of people so that all

articles of daily use could be provided to the people at cheap rates. The big industrialists, who have monopoly and vested interest in certain articles, start indulging in a number of malpractices. Later on, cases of bungling of lakhs of rupees come to light. The people of small scale sector cannot afford to indulge in such activities. It is, therefore, in the fitness of things that the Government should encourage the small scale sector. I do not support the saving clause provided in the Bill for encouraging big institutions located in cities and towns. If you go on encouraging big institutions in towns and cities then the whole system will gradually fail as is happening nowadays. Therefore, instead of having that saving clause, you should encourage the setting up of cottage and small industries for the upliftment and development of the rural areas as it will be more in our interest. The high officials in the big organisations are misusing the system in their interest. This is clearly evident in the State Capitals. Due to them the KVIC funds are being misused on a large-scale which you may not even be knowing. I want to request that no assistance should be provided to the big industries and these should be banned. On the other hand small and cottage industries in the rural areas should be encouraged so that more and more people can get employment and upliftment of our villages is possible.

With these words I support the Bill.

SHRI NARESH CHANDRA CHATURVEDI (Kanpur): Mr. Deputy speaker, Sir, I rise to support and welcome the Khadi and Village Industries Amendment Bill 1987. There were some shortcomings in the Act and in order to remove those shortcomings, this Bill has been brought by the government. It has already been passed by the Rajya Sabha. So I do not think it proper to again refer to those shortcomings. Earlier the major drawback in the Act was that Gandhian thought was not taken care of in it.... [Interruptions] Any reference to

Sh. Naresh Chandra Chaturvedi

Gandhi' should be construed as a reference to Mahatma Gandhi and I think the meaning of 'Nehru and Gandhi' will continue to be taken in this country as Jawahar Lal Nehru and Mahatma Gandhi at least for next 50 to 100 years.

Mr. Deputy Speaker, Sir, in spite of some good provisions, there are certain shortcomings in this Bill towards which I want to draw the attention of the House. First of all the classification of funds such as Khadi Fund, Village Industries Fund, common Fund and miscellaneous Fund will definitely create more difficulties for the people working in it. I can never agree with those people who criticise and oppose the institutions relating to Khadi. The people who have spent their precious life in Jails for the independence of the country and who have completely devoted their lives to Gandhi and Khadi and now if some one says to them that they are not capable or their thoughts have no importance, I can never support such views. But I will definitely support one thing that if any individual or an institution exploit the people in the name of Gandhi and Khadi, that must be exposed. On the basis of my own experience I can say that after independence so many institutions of Khadi have come up and the money of Khadi and village Industries Commission has been misused by these institutions. It should be looked into and checked. It is all because of the fact that there is supremacy of bureaucracy in the functioning of Khadi and Village Industries Commission. The Gandhian ideology about Khadi had neither any place for exploitation and injustice nor it could give rise to such a big institution through which one could use it as a means to realise one's self interest, because the Charkha and technique which was adopted by Gandhiji for rural development and to strengthen rural economy was to provide work to those who used to get work for six months and remain jobless for six months or to those who used to get only six hours' work out of 10 hours' work, which is

expected to be done and thus they were able to get extra work for 3 to 4 hours which is now not possible under the planned system of work. Gandhiji had propagated Khadi and Village Industries for such people only. We have ourselves done this work and have seen it with our own eyes. I request you to maintain that spirit which was behind Khadi.

It is observed that no difference is made between handloom and handmade Khadi. Most of the people do not know the whereabouts of the Khadi and Village Industries Commission. The work of Khadi Village Industries Commission is linked with *Charkha* loom of Gandhiji in which the spinning, weaving and other works are done exclusively by hands. In Khadi and Village Industries, all the works are done purely by hands but that is not so in the case of handloom Khadi. But today people are forgetting the difference between the two. I want that this difference should be highlighted by the Khadi and Village Industries Commission. It is but natural that hand made articles are costly. You know very well as to how much difficulties they have to face in the present economic race due to the rising prices. If you do not provide market for their articles, Village Industries will not get encouragement. You have to think as to how these articles of Khadi and Village Industries worth millions of rupees are to be disposed of when there is a tough competition in the market so under such circumstances the Khadi and Village Industries Commission has to think how the consumption of those articles which are made by the farmers, potters and other artisans, can be encouraged and put to good use.

I would like to mention one more thing which has proved very harmful for the Khadi and Village Industries Commission. It is good that in the institutions running under the Khadi and Village Industries Commission one cannot have any personal benefit but the employees working in these institutions are very low paid because profits and expenditure are

determined by the Khadi and Village Industries Commission. When these Khadi Institutions are asked to pay more to their employees, they show their inability to pay more due to their limited resources. As a result thousands of cases against these institutions are pending in the courts as a result of which some good Khadi Institutions are on the verge of closure. The Khadi and Village Industries Commission should protect the rights of workers engaged in those institutions which are under its auspices and try to free them from tedious labour laws. Besides, wage parity should also be ensured. These workers should get the same wages as their fellow workers get in the Khadi and Village Industries Commission. An employee who works in a show room of the Khadi and Village Industries Commission, gets more wages than his counterpart in an institution under the Commission. The latter gets half the wages. This is a great injustice indeed. The employees working in the Khadi and Village Industries Commission get double the wages than their counterparts in other institutions. This disparity should be removed by the Labour Court and the employees should get equal wages irrespective of where they work - whether it is Khadi and Village Industries Commission or its allied institutions.

With these words, I support the Bill.

[English]

SHRI V.S. KRISHNA IYER (Bangalore South): Mr. Deputy-Speaker, Sir, I welcome the Amendment. But I do not know how far it will be effective. It is because the Khadi and Village Industries Commission which was constituted in 1956, is not serving the purpose for which it was constituted, at the present moment. Till very recently, there was no rapport between its chairman and employees. Everyday MPs used to get complaints from the employees. Now, I am told that its chairman has been changed. But that is

not important. The purpose for which the Commission was constituted was that it should become a movement. But unfortunately, the Commission is working like any other Department of the Government. It should not be so. It should be a people's movement. You cannot work like a Department in propagating Khadi and Village Industries.

Sir, regarding this Amendment, a Review Committee was constituted under the leadership of Mr. Ramakrishniah. The Statement of Objects and Reasons says that the amendments are brought based on the recommendations of Ramakrishniah Committee. But I would like to know, has the Ramakrishniah Committee suggested only these two amendments—redefining village industries and restructuring Khadi and Village Industries Commission? Has the Government received the full report of the Ramakrishniah Committee? Does not the Government say that it has accepted in full the recommendations of the Ramakrishniah Committee? I would like to know whether Mr. Ramakrishniah has made any other recommendations and whether all these recommendations have been incorporated in the Bill. The only two main recommendations are redefining village industries and restructuring the Commission. Even the Minister has said that he has accepted the recommendations of the Ramakrishniah Committee—redefining the village industry. Of course, I welcome it. It ensure that the Village Industries Commission concentrates on promotion of industries in rural areas. The definition of village industry has been amended so that in future only the units in rural areas will get financial support from the Khadi and Village Industries Commission. What is the definition of village industry? It is, all industries in the rural areas, provided the capital investment is not more than Rs. 15,000. That means, this Rs. 15,000 is only for machinery and equipment or does it include land and building also? The hon. Minister may clarify that point because the definition is not clear here. If it includes

Sh. V.S. Krishna Iyer

Grants.

Rs. 334.87 crores.

building and land also, then it will not benefit many Village Industries. Moreover, the Review Committee has recommended that it shall be at least Rs. 30,000. I do not know why you have changed it. Of course, you have made it a little flexible. But minimum should have been, as many Members suggested, Rs. 30,000.

Loans.

Rs. 582 crores.

Employment
generated.

37.89 lakhs.

With less than Rs. 1,000 crores, have generated permanent employment for 37.89 lakhs of people whereas in an industry which you are managing even if you invest Rs. one thousand crores, for how many people can you give appointment? Maximum is 1,000. Now after the modernisation and import of technology, you will probably not require more than 10,000 employees. In a village near Bangalore city which is in my Constituency just now we are having a textile mill which is having less than 90 employees. But when it was located in Bombay, it had a strength of 1000 employees. Now due to modernisation, they require only 90 employees. How are you going to solve this unemployment problem? It is impossible. You cannot even dream of solving unemployment problem. You are talking of only employees registered in the Employment Exchanges. There are crores and crores of unregistered unemployed persons. Also there are many who are under-employed. The only answer to solve this problem is promotion of cottage and village industries. So, I request the hon. Minister to see that development of Khadi and Village Industries movement. People with real missionary zeal should be associated with that.

I would like to make only a few observations. I said, production of Khadi should become a movement. The political parties, particularly Congress and Janata which profess to abide by the teachings of Mahatma Gandhi have failed to promote what Mahatma Gandhi had started. It is because, we expect Government to do it and that too through Commission. I want that the spirit of Swadeshi pre-independence days should be revived. Sir, I am also to be blamed. I was spinning Khadi regularly till I became a corporator. Once I became a corporator, and then legislator and then Minister, I forgot it and I had also given it up. Probably, everybody including the Ministers must have forgotten it. Now, Rangaji may be still spinning.

PROF. MADHU DANDAVATE (Rajapur):
The Minister is there to spin others!

SHRI V.S. KRISHNA IYER: What I would like to say, through you, is, I request the hon. Minister, Shri Vengal Rao who is an experienced administrator and my young friend, Mr. Arunachalam, please take personal interest in this matter. You see that the Khadi and Village Industries Commission functions effectively. As Prof. N.G. Ranga said, there is no solution to the unemployment problem in our country except through village industries. Why do the people come to cities for jobs? It is because you have failed to give them employment.

I come to the composition of the Commission. From 5, it has increased to 12. What is the qualification? Who should be the persons at the helm of affairs of Khadi and Village Industries Commission? Those who are committed and dedicated only should be there. Ex-officio officers will not serve the purpose. I know in my own State, Karnataka, the previous Khadi and Village Industries Board Chairman Mr. V.T. Magidi did very good work because he was a freedom fighter and dedicated to

During the Sixth Five Year Plan period, these are the investments made and the employment provided by Khadi and Village Industries Commission up to end of 1984-85 for all States:

the work. When you appoint the Chairman and the Members of the Commission, select only those persons who are dedicated. You can take the guidance of people like Prof. N.G. Ranga.

[Translation]

SHRI GIRDHARI LAL VYAS (Bhilwara): Whatever the hon. Member is saying is far from the actual practice.

[English]

MR. DEPUTY-SPEAKER: They will put you. Don't worry.

SHRI V.S. KRISHNA IYER: I may mention here that the previous Chairman of the Khadi Board in Karnataka was a Congressman appointed by the Janata Government because he had belief in the movement.

Even after 40 years of independence, we are still giving rebates on the sale of Khadi. Unless you give rebate, there is no sale of Khadi. We should certainly popularise sale of Khadi. This should be the policy of Central Government and State Government. At the time of independence, when the Commission came into existence, everywhere there was so much of enthusiasm both at the Central Government and at the State Governments. They made it a policy to see that only Khadi was used for the uniforms of Government servants in Government offices. Also, only materials produced by the village industries were used in Government offices. Very soon, it disappeared. The textile lobby was so powerful that they made it a point to see that the employees use the polyester and other mill cloths. They tried to instigate the employees to discard using khadi cloth. In this connection I submit that we should reverse the position. We should appeal to the Government employees to use Khadi because now-a-days in Khadi we can get the best quality cloth. It is as good as

polyester materials. We have got very good cloth. Some of us are wearing it now. So, it is not the rough quality khadi that is available now. At one time, we used to get rough khadi... [Interruptions] I am wearing khadi. So, we should popularise it and see that in Government offices, as far as possible khadi is used. Even, sometimes for window curtains, imported materials are used. We are only paying lip-sympathy to khadi.

Sir, I would like to make one more point. You can find in cities – bogus khadi depots in some places. We should put an end to that, to those depots that are uncertified by the Khadi Village Industries Commission. They sell the cloth which is not at all khadi. It is so fine, so attractive and even some big people and big politicians, they go in for this spurious khadi. So, we should put an end to that. As an urbanite because I represent the urban constituency, I welcome this amendment, as I said at the very beginning itself. But at the same time we should not neglect the urban areas. I suggest that this khadi and village industries should enter into the urban areas also. There are many industries in urban areas and particularly ex-Servicemen, widows, handicapped persons and others are involved in such industries who make soaps, hand make paper, etc. We should have a special scheme for the urban area in this regard. please don't neglect it.

With these words, I hope the hon. Minister Shri Vengal Rao will personally monitor the promotion of Khadi and Village Industries.

[Translation]

SHRIMATI KISHORI SINHA (Vaishali): Mr. Deputy Speaker, Sir, I welcome the Khadi and Village Industries Commission (Amendment) Bill, and thank you for providing me an opportunity to express my views.

[Shrimati Kishori Sinha]

Gandhiji made Khadi the symbol of our freedom struggle and it became compulsory for all the freedom fighters to wear it. Even after Independence Congress insisted its members to wear Khadi.

Khadi is related to our history. Gandhiji gave a significant place to Khadi in the new social set up. We have not only an emotional attachment with Khadi but infact it became a symbol of our self reliance. Many people can get employment through it. I would not take much time of the House and would submit briefly that the role of Khadi is vital in removing poverty for which our hon. Prime Minister is taking effective steps. The Government propose to allocate Rs. 1400 crores to the Khadi Commission in order to provide employment to about 41 lakh workers. With a mere investment of Rs. 10,000 in a Khadi Unit at least 1,000 people can get employment whereas investment of Rs. one crore in an industry can provide employment only to 1,000 people. It would be wonderful if more Khadi units are opened in the country. Besides, the women in rural areas do not have any work. If these Khadi Units are opened in rural areas, the women can supplement their income and thereby become selfreliant.

Of course, the Government has taken the responsibility of enduation and health of children below 14 years as also of maternity and child welfare but so far as my personal experience is conerned, I would say that adequate arrangements have not so far been made for safe motherhood. There must be some lacuna here on there. If the Khadi Commission provides jobs to these women, they will be able to fend themselves and the Khadi Commission will be able to play an important role in the present time.

In addition to this, irrigation facilities have not been provided in the backward areas. Obviously, the agricultural

production in those areas in very low. The landlord does not pay minimum wages to the agricultural labourer resulting in unrest among them. Tension is building up there. Besides this, in the absence of employment opprotunities, there is unrest among the people of the South. They are getting agitated and in discipline is spreading among them. Due to this the life of the common people has become miserable.

The anti-poverty programme and the activities of the Khadi Commission will generate employment opportunities. It will soothe the unrest among the people. Here the Khadi Commission has an important role to play. Such members should be included in the Board of Khadi Commission who like to wear Khadi and have a liking for Khadi.

Through this amendment where it is proposed to increase the number of members to 13, it is also proposed to make all the office bearers as ex-offici members. I oppose this move because it will further empower bureaucracy. They have no regad for Khadi. There is a provision to include non-officials as members of the Board. I would suggest that a representative of that area should be included in the Board where Khadi is more popular. This point should also be kept in mind that only such persons should be taken who know about the production and distribution of Khadi. It is a matter of happiness that 12 Centres will be opened and they will look after activities connected with Khadi. If even 7 to 8 Centres are opened, it will be a good step and there will not be any bickerings.

I do not want to say any thing more. Our colleagues have already shed light on the importance of Khadi.

With these words, I support the Bill and convey my thanks to you Mr. Deputy-Speaker, Sir, for giving me an opportunity to express my views.

SHRI HARISH RAWAT (Almora): Mr. Deputy Speaker, Sir, I welcome the Amending Bill brought forward to make certain amendments in the principal Act. I would rather say better late than never. The activities of the Khadi and Village Industries Commission were at a standstill due to the non-constitution of the Commission. At least it has now started functioning. In a country like India, where the percentage of unemployment and poverty is very high, the Commission has great responsibility to play a role in this field. But it pains us to see that in spite of our commitment and efforts, we have not been able to bring even 10 per cent of all the development blocks in the country under the purview of the Commission and in this way there has been no increase in its jurisdiction. The outlay earmarked for this Commission in the Seventh Five Year Plan is more than double than what was it in the Sixth Five Year Plan. But according to our calculations in view of the activities of the Commission, this outlay is meagre and is required to be increased. On the one hand we expect from the Commission to work for the eradication of poverty and on the other we have made provision of only Rs. 600 crore for it. This comes to Rs. 1000 crore by including rebate etc. but this is very meagre taking into consideration its work and responsibility. I would like to make a submission that if it is not possible to increase the outlay in the Seventh Five Year Plan, at least there should be some tie up with the banking institutions to provide some assistance to those persons who would like to set up industries in the rural areas under the jurisdiction of the Commission.

The Khadi and Village Industries Commission is functioning satisfactorily in the southern States. But in the north, its activities are almost confined to Khadi only. In Uttar Pradesh and Bihar, the Commission has not done any significant work in the field of handicrafts. As the hon. Minister is reconstituting the Commission, he should see that the Commission fulfil its responsibility towards the promotion of handicrafts in north India.

As I have been associated with the trade unions, I have got an opportunity to see the working of the Commission. Their behaviour is the same as of a perfect bureaucrat. When one comes in contact with them, one feels like dealing with a bureaucrat. Whereas there should have been an internal democracy in the Commission. There should have been a sense of involvement among the workers. But this thing is lacking. While talking to its President, we feel as if we are talking to some Secretary, I do not say that the behaviour of the Secretary is not cordial. But in future you must see that the behaviour of the President and the member of the Commission should be like that of a democrat. They should create a sense of involvement among the workers so that the workers so that the workers may feel that it is their Commission and it will look after their interests.

Although you have made good provisions in this Bill but you have left one thing. You propose to give representation to all but there is none to safeguard the interests, of the workers for whom you are making a provision of crores of rupees. If you do not give representation to the workers in it, I think it will remain a great lacuna in the Act. Even there is time to rectify this omission. Therefore, I would request that there should be at least one representative of the workers in the Commission. You should make this provision. I fully agree with the view of Shri Girdhari Lal Vyasji that unless the workers are given representation in the Commission, the lacuna will continue to pinch us.

I would also like to make one more submission to you that of course you want to encourage village industries and you have earmarked separate funds for this purpose. But the funds amounting to Rs. 15 thousand earmarked for this purpose are meagre. I donot think one can set up any infrastructure and create job opportunities for the people with such a meagre amount. The amount should have

[Harish Rawat]

been Rs. 50 thousand. In the present time even this amount is not sufficient. If you cannot enhance this amount to Rs. 50 thousand, at least it should be increased to Rs. 30 to 35 thousand. You should enhance this amount.

Besides this, there is a need to make it clear as to which industries would be set up in the rural areas. Money should not be wasted by bringing items arbitrarily under the purview of these industries. We should bring such items under these industries which may create jobs in large numbers for the people so that our economy prosper.

14.54 hrs.

[SHRI VAKKOM PURUSHOTHAMAN *in
the Chair*]

In the end, I would submit that the Government should pay more attention towards the most backward areas. On the whole we find that activities of the Commission are going on well in those areas which are economically developed. But the activities of the Commission in the border areas, hilly areas and under developed areas are less. The Government has selected Nainital in the hilly areas of Uttar Pradesh which is the most developed hilly area of the country. You have left the most backward areas, like Pithoragarh, Chamoli, where handicrafts are in a developed state and where Adivasis and Tribals live. Therefore, I would request that the backward areas should also be selected. The Commission should be asked to bring backward areas and development blocks under its jurisdiction so that those areas may be developed. I hope that as Gandhiji had linked Khadi with the independence struggle, the work of the Commission should also be linked with the movement of the economic development of the country.

With these words, I support the Bill.

SHRI K.N. PRADHAN (Bhopal): Mr. Chairman, Sir, I rise to support this Bill because the amendments proposed to be made in the Act will prove more effective in this field.

Sir, at this moment I would like to say one thing which is a bitter truth. When we talk of village industries, as other hon. Members have said, our attention goes to the freedom struggle and to Gandhiji. In my view, that context is still there but the tremendous industrial and scientific progress have diminished its importance in these 40 years. It will be appropriate to say that had we given importance to the village industries to that extent which Gandhiji wanted, there would not have been the situation of unemployment that is prevailing today. There would not have been such a large number of persons as are living below the poverty line. We have only paid lip service and tried to sustain that movement but we could not make it a living force. We tried to sustain it in such a way and probably it was beyond our power to stop this movement. We have not been able to make it a living force.

It is true that the need of the hour is that we should adopt new techniques, scientific methods to increase the production to the maximum. But in order to cope with the increasing population and to remove poverty, we will have to look towards the Khadi and Village Industries. It is a matter of happiness that the Government has adopted a favourable attitude in the last two years but it cannot be regarded as sufficient. Anyhow, something is better than nothing. It has been mentioned in the new textile policy that the Government will give incentive to the production of textile. But it is meagre. The rebate on the cotton textile which was 10 per cent earlier has been increased to 15 per cent. The Government had appointed a Working Group. According to its report as many as 988 persons were provided training in Khadi in 1985-86. Only such a small number of persons were provided training in this big country.

Similarly 7600 persons were provided training in Village Industries. Not only this, additional jobs were provided to only 1.19 lakh persons in one year. This is the situation prevailing in the country. At present, about 40 lakh persons are working and we have fixed a target of 50 lakh in the Seventh Five Year Plan. This is really a pitiable situation. We are definitely going to improve the situation and we have taken measure in this respect. We are celebrating fortieth anniversary of the independence of the country. If we are able to establish the importance of village industries in its true sense, it will benefit the country a lot.

15.00 hrs.

Sir, I fully agree with the views of my colleagues that proper importance should be given to the Workers but your report says something else. The hon. Minister had visited Bhopal. I would like to remind him that some worksheds have been set up there for the gas affected persons where different institutions are working. There two sheds have been allotted to the Khadi and Village Industries where agarbattis, soap and match boxes are manufactured. You will be surprised to know that the workers, whether men or women, engaged there do not get minimum wage even after putting in 8 to 10 hours of work. The reason may be that either the Khadi and Village Industries Board does not get the raw materials at the rate on which they should get or the production cost is very high. It is proposed to give minimum wage in the whole country and in every district minimum wage has been fixed. If the people get Rs. 7 to 8, I think it is not good. Some sort of control should be exercised in this regard by establishing co-ordination between the Khadi and Village Industries Commission and the different States. Proper arrangements should be made for providing raw material and for marketing of products. The State Governments should be compelled to purchase the products of the Khadi and

Villages Industries Commission and of the Boards functioning in their respective States to meet their requirements. If you want to make this movement a living force, you should lead it ahead honestly and with a strong determination. Otherwise we will go on paying lip service to it as we have been paying so far. The name of Khadi and Village Industries shall remain so long as the name of 'Gandhiji is there. Just as we are gradually departing from his principles, similarly we have abandoned his basic movement. The Commission has got its Centres in 500 Development Blocks out of the total of 5000 development Blocks. It is evident from the progress we have made during the last 40 years keeping in view the ideology of Gandhiji behind this movement and also the requirements of the country. I hope that Khadi and Village Industries will go a long way in helping us to provide employment to such a vast population and to raise them above the poverty line. I think, the hon. Minister would pay attention towards it. A Commission may be set up under the Charimanship of persons like Shri Ranga who can bring about improvements in this sector which prove useful for the country. With these words, I conclude.

SHRI RAJ KUMAR RAI (Ghosi): Mr. Chairman, Sir, I am grateful to you for providing me an opportunity to speak. I welcome and support the Khadi and Village Industries Commission (Amendment) Bill. It is a matter of great pleasure that an Industry Minister like Shri Vengal Rao and a Minister of State like Shri Arunachalam are looking after this work. After 40 years of independence, we find that India has achieved progress in every field, but there has been no progress so far as the Khadi and Village Industries are concerned. Gandhiji had launched a movement for the promotion of Khadi, Shri Ranga and our other elder colleagues are witness to this. The purpose of this movement was to achieve self-reliance in the rural areas and consequently the villages became self-reliant. But to-day it has converted itself into a city Industries

[Sh. Raj Kumar Rai]

Commission, because it has marched towards the Cities. This industry has also been urbanised. It is necessary to check its march towards cities and let Khadi remain Khadi. The population of Uttar Pradesh is 18 per cent of the population of the country and seven per cent of the total Budgetary allocations is given to Uttar Pradesh, where 30 per cent people live below the poverty line. The allocation of funds for Uttar Pradesh is very meagre. It should be your objective to make more allocations for those areas where people are backward, poor and un-employed so that the poor people are able to get 4 to 5 hours' work in a day and earn something. But the huge grants and amounts which are being given, are pocketed by big people. These funds are not being utilised properly. Now, when you are reconstituting the Commission, you should bear in mind your moral and legal responsibilities which have been entrusted to you in the name of Gandhiji, in the name of Khadi and in the name of Indianness. There are small units in our area. Work has been started for name sake in Ratanpur, Balia and in Dohi in Azamgarh. It is not known what is going on in the cities where big guns are there. You should change this psychology. I want to tell you about a case. I am very grateful to Shri Arunachalam. When I requested him for transfer of a suitable person, he said that this is being dealt with in the hill border cadre. When I quoted him 20 cases and wanted to know from him as to how he dealt with the hill border cases, only then, he was prepared to do it. But the orders were issued in a very tricky way saying that he shall not be relieved till his substitute joins there to relieve him. Two months have since passed. Neither somebody joins there nor these orders will be implemented. These orders were issued only to befool us. The privilege of the Member of the Parliament has been violated. The person, in favour of whom I had written, was told:

[English]

"Why action should not be taken against you, because a Member of Parliament has written in your favour". Such is the state of affairs in the Department of Khadi and Village Industries.

[Translation]

This is how the bureaucracy is working. The hon. Minister can say that he understood the merit as conveyed to him and passed the orders accordingly, but

[English]

bureaucrats are bureaucrats. They are all in all. They cannot change. Their orders cannot be altered. They do not consider the things sympathetically.

[Translation]

They were not able to appreciate our genuine problem. This thing did not come to their mind that it must be a genuine case since it has been recommended by a Member of Parliament and there was no justification for not accepting the recommendation.

[English]

What they say is the gospel truth and nothing else.

[Translation]

Therefore, I would like to submit that this tendency may please be stopped as early as possible. In the end I would like to refer to nomination. Only such persons should be nominated who are honest and committed to Khadi and Village Industries. In our district there was a person who was a Deputy Minister of Industry and who was awarded 6 years punishment for unlawful assembly, declared himself to be a freedom fighter. Such a person, who is there only to undertake air journeys and to

claim various allowances, will not think about the Khadi and Village Industries. All these things should be enquired into before making nominations. Lastly, I hope that our learned Minister will keep the bureaucracy under control and conduct himself as Gandhiji, Vinobaji, Indiraji had wished and now our hon. Prime Minister and Rangaji are wishing.

[English]

SHRI NARAYAN CHOUBEY (Midnapore): Mr. Chairman, Sir, I have only one point to make. Since about forty lakhs of workers and artisans are involved in this, as has been told by most of the Congress leaders and Members of Parliament, there must be some provision in this Bill to safeguard their interests.

SHRI J. VENGAL RAO: We are their representatives; we will certainly look into that.

SHRI NARAYAN CHOUBEY: But you must understand that you are a casual worker and the bureaucrats and the officers are permanent workers. That is the only submission that I have to make and nothing else.

In short, I would submit that if not today, you must bring forward an amendment later to include certain provisions to safeguard the interests of the workers and artisans, who are *treated in a most shabby manner by most of the people at the top*. I hope you will consider this and as a representative of the people see that something is done and not left only to the bureaucrats.

SHRI Y.S. MAHAJAN (Jalgaon): Mr. Chairman, Sir, I rise to support this Bill. This is a small Bill but it has a great significance considering our historical development. We all have sentimental attachment to khadi and village industries. It speaks well for the Bill that our first speaker on this side, Prof. Ranga comes

from Andhra Pradesh. It was at the Vijaywada Congress session, that it was decided to launch a Khadi Production Programme. Secondly the Minister who is piloting this Bill is also from Andhra Pradesh. Sir, the production of khadi has increased considerably since those days. At that time they invested only Rs. 3 lakhs in the production of khadi and now the banks are providing Rs. 80 crores to the different institutions producing khadi and even according to the Committee that amount is not adequate.

Sir, this Bill is important not only from this point of view but also because it makes the Khadi Commission an important instrument for the rural industrialisation of this country. Sir, Gandhiji advocated village industries, which according to our new terminology, are included in the mini sector. Now, the scope of the work of the commission is going to be widened. It would cover not only village industries as conceived by Gandhiji but all industries in rural areas. New industries are coming up in the rural areas and whether they use power or not and whether they employ more than 10 people or not they will come under the Khadi and Village Industries Commission. Since the new industries that are coming up are going to be an important instrument in industrialising the country, the work of the Commission will be transformed and it will be completely different from what it was before. It is going to be the major instrument of industrialising the country. I think rural industrialisation the only solution to the poverty in our country. After all, there are limitations to the number of people who can be engaged in agriculture; land is limited, but so far as industry is concerned, Sir, there is no limit to the growth of industries. That is the lesson that we can draw from the experience of the industrialised countries.

Then, Sir, some Members have said that the limit of Rs. 10,000 per head on capital expenditure, that is, one land, labour and machinery is too small but the

[Sh. Y.S. Mahajan]

Act makes provision for increasing it. If experience shows that if this limit should be increased, it can be done later on. The provision is not rigid.

Then, Sir, the Act makes important changes. It widens the scope of the work of the Commission in another way and it says that it should undertake to provide raw materials, set up raw material banks and it should undertake science and technological development. Sir, in this matter the Commission has done fairly good work in the last few years. It has set up thousands of new model charkhas, the Ambar Charkha. The reason why people are not attracted to these village industries is that their productivity is low and they are forced to maintain a low standard of living. The work is not very productive and, therefore, the imposition of this duty under the Bill, namely, that it should make for technological development, would increase the productivity of workers and enable us to raise their wages. Sir, members have complained that they do not get enough wages, that the wages that they get are even less than the minimum wages prescribed by the State Governments in their respective areas. Sir, wages could be increased if productivity is increased. It is very important that along with productivity there should be an increase in the quality of the work that is done in the village industries. Widening the definition of village industry, increasing the scope of the work of the Commission, increasing productivity and improving the quality of work are the most important provisions for attaining the objectives of the Seventh Five Year Plan. In the Seventh Five Year Plan period, the value of the output of this sector is targeted to be increased from Rs. 929 crores to about Rs. 2000 crores. Employment coverage is likely to increase from 40 to 50 lakhs. Well, an increase of 10 lakhs is not much. Sir, we cannot solve the problem of poverty in this country unless we are in a position to fully tackle the root-cause of the problem, i.e. the

rapidly increasing population. Anyway, will not go into that aspect now.

Gandhiji had regarded Khadi and Village Industries as a major instrument for liberating this country and making it economically self-reliant. But this object cannot be achieved unless we also improve upon the quality of work, increase productivity, increase the wages of the workers and attract more and more people towards these industries.

I want to mention another factor which is very important and necessary. There must be linkages between Khadi and Village Industries and other programmes in the Seventh Five Year Plan which aim at increasing employment and productivity of the people. I am referring to programmes such as the Integrated Rural Development Programme, Rural Landless Employment Guarantee Programmes and so on. If these programmes are linked to the work being done by the Khadi and Village Industries Commission, the working of the Commission, will be much more effective. I need not say anything further on this aspect.

I would like to make just one more remark, which is about the number of members of the KVIC. It is stated in the Bill that six members will be taken from six areas of the country. I feel that if there are only six areas, each region will be very big. These should at least be increased from 6 to 10 or 12 so that the areas would be manageable. If you have just six areas, the whole of Maharashtra and Gujarat will be one area and if you take just one person from that area, how can you expect the work to be really effective? I believe the number of members of the Commission is too small for the work contemplated. So please increase it to 10 or 12. With these remarks, I support the Bill and hope that rural industries and the work of the KVIC will prosper.

[Translation]

SHRI JAGDISH AWASTHI (Bilhour): Sir, I support, the Khadi and Village Industries (Amendment) Bill. Several hon. Members have already expressed their views as to how the Commission should work and what are its shortcomings. I do not want to repeat all those things.

What is most important today is to ensure that the objective of the Khadi and Village Industries to eliminate poverty and to provide employment is fulfilled. We should see how far the commission has been successful in achieving its objective. Providing finances is not its only duty.

You have set up Khadi and Village Industries Boards in many States and you allocate funds to them. All the work is done through these boards. It has come to my notice that the Commission as well as the Boards of States provide funds to some industries. This type of duplication must be stopped. At the same time, it is also seen that there is no co-ordination among them.

You have set up boards at the State level. While allocating funds to them, there should be no partiality. More funds should be allocated specially to backward areas in the rural areas.

In addition to this, there is no proper arrangement for marketing the products produced by these industries, specially by voluntary agencies. Proper arrangements should therefore be made as large quantities of goods remain lying unsold. It increases unemployment and creates problems for the institutions. Over and above, the economic burden increases whereby the institution cannot afford to make payment to you. You should take care of this thing.

I would like to make one more submission that you have given some exemptions to all units being run by the

Commission. For example, you have given exemption in income tax and the State Governments have given exemption in sales tax. In case of brick kilns running under the Pottery Industry in Uttar Pradesh, which are financed by you, sales tax had been imposed by the Janata Government since 1 July, 1979. Prior to that there was no such tax in their case. But it is now being realised. These are small industrial units and are asked to bear the burden of sales tax worth lakhs of rupees. The Government of Uttar Pradesh has been requested time and again. But nobody has paid any attention towards it. Therefore, I would like to submit to the hon. Minister that the Janata Government had imposed sales tax on these small industrial units, numbering 16 only which is against the objectives of the Commission. You may please write to the Government of Uttar Pradesh to abolish this tax, otherwise these institutions will face closure and they will not be able to return the money that you have invested in them.

You have provided in this Bill that the Commission will consist of 12 Members out of which 10 will be non-official Members including four experts. I would like that such persons should be nominated who are honest and dedicated and also have made some contribution in this field.

Besides, I would also like to submit that some people have entered these institutions, who are wasting the funds allocated to them by you as grants-in-aid. What happens is that out of 10 good jobs done by them 2 jobs are badly done where funds go waste. The people talk about these two jobs and forget about the remaining 8 good jobs done by them. This should not be so. It should however, be seen how the funds were wasted on these two jobs. You are required to pay a special attention to this matter.

Many hon. Members have pointed out that the employees working in the big

(Sh. Jagdish Awasthi)

institutions engaged in the production of Khadi, are not being paid adequately. They are thus being exploited. You may please frame a rule whereby an institution is able to run only one unit and funds are made available for only that unit and not to 10 units run by that institution at a time. Because it has been seen that some persons who have somehow managed to enter these institutions, draw lakhs of rupees and then do not spend that amount on various items and thus misuse the funds. It is therefore necessary to see that funds are made available to only one unit run by an institution and that the units are run properly and the money is not misused.

A number of hon. Members have mentioned that there are a number of workers who do not get proper wages. They are being exploited. You may please ensure that they get proper wages.

I want to make a submission about Khadi that Gandhiji's objective behind this movement was to provide employment to the poor, so that they become self-reliant and the unemployment is removed. But what is it happening. Khadi is being adulterated and now Polyester Khadi is being produced. Of course, if it is necessary to send abroad, you may improve its quality. But the Khadi to be used and consumed in this country, should be produced in accordance with the objective of Gandhiji. We should not deviate from the objective of Gandhiji by producing polyester Khadi.

I hope that the hon. Minister while reconstituting the Commission through this Bill, will ensure that such people are nominated who are dedicated to Khadi so that the Village Industries may develop. Otherwise the objectives of this Bill will not be fulfilled. I am sure that you will look into the submissions and suggestions made by us.

With these words I support this Bill.

*The Speech was originally delivered in Tamil

*SHRI R. JEEVARATHINAM (Arakōnam): Hon. Chairman, Sir, let me express my views in support of the Khadi and Village Industries Commission (Amendment) Bill, 1987.

At present, the matters relating to Khadi clothes as well as other village industries are controlled by one single commission. However, there is a growing need to pay adequate and special attention to each of these and, therefore, I request the Government to set up a separate Commission for Khadi and another one for village industries.

Sir, khadi is the symbol of our freedom struggle. It reminds us of our great leaders who sacrificed their lives for the liberation of our country. It is a legacy of our Independence Movement; a mark of simplicity and ahimsa. Hence, I request the Government to employ the wards of freedom fighters in khadi and village industries.

Sir, we must encourage the production of khadi cloth. We must encourage the use of khadi cloth among the Indians, young and old alike, by providing a discount of 30% on all khadi sales. Further, at present, the State Govts. provide some monetary incentives to inter-caste couples. The Central Govt. must give special grants to State Govts. for providing khadi wears free of cost to inter-caste couples at the time of marriage. This would encourage the use of khadi among youngsters.

Sir, the Sarvodaya Sangams produce quality khadi clothes, cotton as well as silk. Khadi-looms in Govt. sector must also ensure the same quality. Adequate funds must also be provided to establish cooperative weaver societies all over India for the production of quality khadi cotton and silk clothes. Best variety of khadi cotton and silk clothes may be exported to foreign countries and thereby we can earn good amount of foreign exchange.

Special stalls for display and sale of Indian khadi clothes may be opened in International Trade Fairs through which we can propogate the non-violent and peaceful ideals of Mahatma Gandhi, Pandit Nehru, Smt. Indira Gandhi and Shri Rajiv Gandhi.

Concessions under this Act must be provided to only those industries which are purely village industries and rural-oriented. Mat-weaving, basket making, bamboo-chairs makings, doll-making and making of wooden dolls, statues and other artefacts are certain of pure village industries. In this industrially advanced times, the Minister may kindly reconsider whether there is any more need to categories soap-making, paper-making and oil extracting as village industries under this Act. These industries involve higher capital outlay and also increasingly becoming mechanised trades. I, therefore, request the Govt. to redefine the term 'village industries' so that only pure village industries as I exemplified earlier receive the benefits under this Act. The money spent on these industries which are not purely village industries may be fruitfully utilised on pure village industries for their development.

The Bill proposes to cover village industries which have an investment limit of Rs. 15000. Considering the value of money in these times, I request the Govt. to raise this investment limit to Rs. 30000. The bill also proposes to divide India into 6 regions for representation in the Khadi and Village Industries Commission. However, the Bill does not make a reference to the States which would be in each such region. I request the Minister to specify the States in each proposed region in his reply.

Sir, during the days of independence movement, there used to be exchange of khadi production between the States. Khadi woven in Assam and Andhra used to

come to Tamil Nadu and *vice versa*. This sort of exchange of khadi clothes between the States must be resumed in the interest of national integration.

With these words, I thank you for the opportunity given.

15.30 hrs.

ANNOUNCEMENT RE SITTING OF LOK SABHA ON MONDAY, 11TH MAY, 1987

[English]

THE MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (SHRIMATI SHEILA DIKSHIT): Sir, I would like to take this opportunity to inform the Hon. Members that the sitting of this House has been extended to Monday, the 11th May, 1987.

MR. CHAIRMAN: We have to take the consensus of the House. Is it the pleasure of this House to extend the sitting of this House to Monday, the 11th May 1987?

HON. MEMBERS: Yes.

MR. CHAIRMAN: The House will sit on 11th May 1987 also.

15.31 Hrs.

COMMITTEE ON PRIVATE MEMBERS' BILLS AND RESOLUTIONS

[English]

Thirty-sixth Report

SHRI HUSAIN DALWAI (Ratnagiri): Sir, I beg to move:

"That this House do agree with the Thirty-sixth Report of the